

PROSPECTUS

A Concession Business Opportunity for
Lodging, Food & Beverage, Retail, and Other Services
within Zion National Park

Solicitation#
ZION003-09



National Park Service
U.S. Department of the Interior

Intermountain Region



PROSPECTUS

For Lodging, Food & Beverage, Retail,
and Other Services
within

ZION NATIONAL PARK
National Park Service
Intermountain Region

Contract No. CC-ZION003-09

Questions and proposals must be **received** by the National Park Service
no later than 4:00 P.M. on the due date listed above and should be addressed to:

**National Park Service
Intermountain Region
Concessions Management (IMDE-ACM)
Tom Williamson, Acting Chief
12795 West Alameda Parkway
Lakewood, Colorado 80228
(303) 969-2582**

National Park Service
U.S. Department of the Interior

Zion National Park



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BUSINESS OPPORTUNITY

**For Lodging, Food & Beverage, Retail, and Other Services
within Zion National Park**

CC-ZION003-09

Department of the Interior

National Park Service

SUMMARY OF BUSINESS OPPORTUNITY

The purpose of this Summary is to provide a synopsis of the key elements of National Park Service (Service) Draft Concession Contract CC-ZION003-09 (Draft Contract), included in this Prospectus as Section IV, for the general concession operations at Zion National Park. In the event of any inconsistency between the terms of the Draft Contract and this Summary, the Draft Contract will prevail.

Nature of the Business and Services Provided

The Business Opportunity section of this Prospectus describes the commercial visitor services required within the Draft Contract. The following visitor services are required:

Required Services for the Contract

Lodging/Overnight Accommodations	Zion Lodge
Food and Beverage	Food and beverage outlets offering a variety of service styles (full service at Zion Lodge Dining Room, quick service and snacks at the Snack Bar).
Retail	Retail facilities at the Zion Lodge.
Pay Telephones	Pay Telephones

The Concessioner is authorized but not required to provide the following visitor services during the term of the Draft Contract.

Authorized Services for the Contract

Step-on Guide Service	Interpretation service for tour bus groups
Transportation	Service from Zion Lodge to trailheads outside Zion Canyon; open air tram tours of Zion Canyon
Vending and Other Services	Limited vending throughout the Zion Lodge area complex, including beverages

Annual Total Gross Receipts

2001	2002	2003	2004	2005
\$7,184,405	\$7,834,098	\$8,710,270	\$9,043,462	\$9,486,035



Required Facility Maintenance Expense

Five percent (5.0%) of annual gross receipts.

Required Repair and Maintenance Reserve

Five percent (5.0%) of annual gross receipts.

Minimum Franchise Fee

Twelve percent (12.0%) of annual gross receipts.

Term of Draft Contract

10 years starting January 1, 2009

The effective date of the contract is subject to change prior to contract award if determined necessary by the Service due to transfer timing issues. The expiration date of the Draft Contract will be changed to continue the same term length from any changed effective date.

Estimated Required Initial Investment

There is no Possessory Interest or required real property capital investment associated with the Draft Contract. Under the Existing Contract the Existing Concessioner must sell and transfer to the successor all other property of the Concessioner used or held for use in connection with such operations. The Existing Contract also provides that the Service will require the new Concessioner to purchase this property.

Concessioner-Owned Personal Property	\$1,390,000
Inventory	\$ 406,000
Start-Up Costs	\$ 344,000
Total	\$2,140,000

No Preferred Offeror

The Director has determined that no Preferred Offeror for this Draft Contract exists pursuant to the terms of 36 CFR Part 51. This solicitation for commercial services is fully competitive.



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INTRODUCTION

The National Park Service (Service) seeks proposals for the major concession operation in Zion National Park (Park). This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services required by the Service. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the attached Draft Concession Contract CC-ZION003-09 (Draft Contract), including its exhibits, to determine the full scope of a future Concessioner's responsibilities under the Draft Contract. The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (PL 105-391) as implemented by the Service in 36 C.F.R. Part 51. This Prospectus is issued under the authority of 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the terms of the Draft Contract and this prospectus, the Draft Contract will control. Copies of PL 105-391 and 36 C.F.R. Part 51 are included as Appendices to this Prospectus.

The term "Concessioner" as used in this Prospectus refers to the entity that will be the concessioner under the Draft Contract. The term "Existing Concessioner" refers to Xanterra Parks and Resorts, Inc., the concessioner under the existing concession contract (Existing Contract). The Existing Contract, as amended, is included as an Appendix to this Prospectus.

The National Park Service and its Mission

America's National Park Service was created by Congress to:

...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (*16 USC 1*)

Additionally, the Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. (*16 USC 1a-1*)

To learn more about the National Park Service, visit our website at www.nps.gov. This site includes information about who we are, our mission, Service policies, and individual Park information.



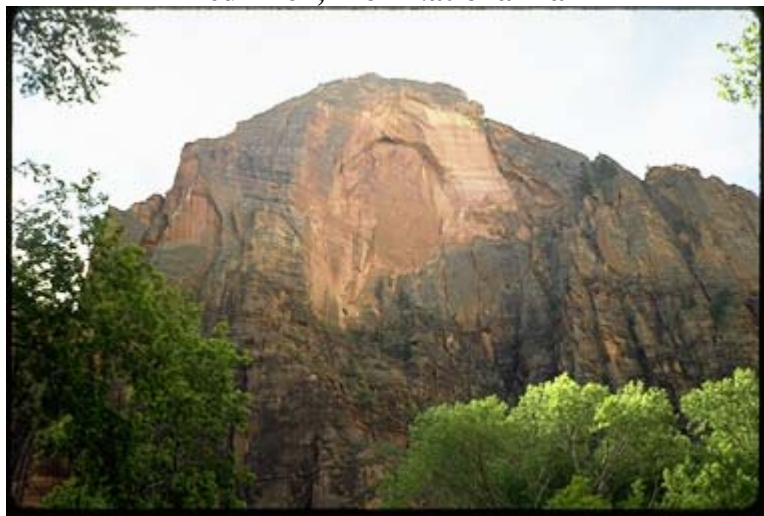
MISSION OF ZION NATIONAL PARK

Zion National Park is one of the earliest additions to the national park system. On July 31, 1909, President William Howard Taft issued a proclamation setting aside 15,200 acres as Mukuntuweap National Monument. In 1918 another presidential proclamation enlarged the monument to 76,800 acres and changed its name to Zion National Monument. Congress established the area as a national park in 1919. A second Zion National Monument (now called the Kolob Canyons) was established by presidential proclamation in 1937. Congress added the Kolob Canyons to Zion National Park in 1956. The Park currently encompasses 148,016 acres.

Based on Zion's enabling legislation, legislative history, and agency management policies, the purposes of Zion National Park are to:

- Preserve the dynamic natural process of canyon formation as an extraordinary example of canyon erosion;
- Preserve and protect the scenic beauty and unique geologic features: the labyrinth of remarkable canyons, volcanic phenomena, fossiliferous deposits, brilliantly colored strata, and rare sedimentation;
- Preserve the archaeological features that pertain to the prehistoric races of America and the ancestral Indian tribes;
- Preserve the entire area intact for the purpose of scientific research and the enjoyment and enlightenment of the public; and
- Provide a variety of opportunities and a range of experiences, from solitude to high use, to assist visitors in learning about and enjoying Park resources without degrading those resources.

Exhibit 1 Red Arch, Zion National Park



Source: National Park Service



The Service clarified the Park purposes through the following significance statements, as listed in the Zion National Park Strategic Plan:

- Geology - Zion National Park: nowhere else on earth do the three forces of deposition, uplift, and erosion come together in such intimate and scenic fashion.
- Biologic Diversity, Natural Processes, and Wilderness - Zion National Park contains many diverse organisms. It preserves ongoing natural processes—geological (on-going canyon formation) and biological—which we deem inherently valuable. Zion’s many diverse and scientifically valuable resources are located in a wild land with few modern, man-made improvements. As such, they provide outstanding opportunities for preservation, study, and enjoyment.
- Human Use - Zion National Park contains a record of important, past human activity which provides guidance on the sustainable future use of this and other lands.

Additional information about the Park is available at www.nps.gov/zion.

Exhibit 2

Zion Area Map



Source: National Park Service



MARKET AREA OVERVIEW

Market Area Assessment

Zion National Park is situated in Washington, Kane, and Iron Counties, in Southern Utah. Zion National Park is accessible via Interstate Highway 15 or Utah Highway 9.

Covering approximately 2,430 square miles, Washington County ranks as Utah's 15th largest county, yet ranks as the State's 6th largest county in terms of population.¹ Only 17.7% of Washington County's land base is owned by the private sector; the Bureau of Land Management (40.6%), the U.S. Forest Service (22.2%), and the National Park Service (8.5%) combine to administer 71.3% of the County's land base. The State owns 5.8% of the land while Indian Reservations account for approximately 1.8% of the land.²

Resident Demographics

As of July 1, 2000, Washington County's population was approximately 91,104. Between 2000 and 2004, the County's population grew at a compound annual growth rate (CAGR) of 6.5%. The decade earlier, between 1990 and 2000, the County experienced similar population growth rates averaging 6.5% per year, compared with 2.7% per year state wide over the same period. According to the Utah Division of Demographic and Economic Analysis, Washington County's population is projected to increase to 251,896 people by 2020, which translates to a compound annual growth rate of approximately 4.8% over the next 15 years. These past growth rates and anticipated future growth rates make Washington County one of the fastest growing counties in Utah (in percentage terms). Exhibit 3 below shows actual and projected population data for Washington County and Utah.

Exhibit 3

Actual and Projected Population Data for Zion National Park Region and the State of Utah

	1990	2000	2010	2020	CAGR 90-00 (Actual)	CAGR 00-20 (Projected)
Washington County	48,560	91,104	162,544	251,896	6.5%	5.2%
Utah	1,772,850	2,246,553	2,787,670	3,371,071	2.7%	2.0%

Source: 2004 & 2005 Economic Report to the Governor

Approximately 54% of Washington County's residents live in St. George, the county seat. Due to the region's geography and highway system, St. George is about 42 driving miles from Zion

¹ U.S. 2000 Census

² Utah 2004 State and County Economic and Travel Indicator Profiles



National Park, with a driving time estimated to be 48 minutes.³ Hurricane, La Verkin, and Springdale are the three most populated cities in proximity to Zion National Park, reporting 2004 populations of 10,676, 4,200, and 575, respectively.⁴ Springdale is nearest to Zion National Park and is located adjacent to the Park's South Entrance. La Verkin is 16 miles from Zion National Park and an average driving time of 30 minutes. Hurricane is approximately 18 miles from Zion National Park with an average driving time of 33 minutes.

As shown in Exhibit 4 below, 2003 per capita income in Washington County was \$20,084, the eleventh lowest in the state out of twenty nine counties. In 2004 the average monthly wage rate in Washington County was \$2,025, which was also ranked as the eleventh lowest in the state out of twenty nine counties. The three largest employment sectors in Washington County in 2004 were Public Education, Health Care, and Discount Department Stores (e.g., Wal-Mart).

Exhibit 4
Average Per Capita Income

Per Capita Income	1990	2003	CAGR
Washington County	\$12,532	\$20,084	3.7%
Utah	\$14,913	\$25,407	4.2%

Source: Washington Demographic and Economic Profile, Utah Department of Workforce Services; Governors Office of Planning & Budget

Virtually all of the communities in the area of the Park derive benefit from their proximity to the Park. However, the Park and the facilities therein essentially operate independently of these surrounding areas. As a result of the limited population and infrastructure in these relatively undeveloped areas of southern Utah, the nearby communities have little effect on the concession as a direct source of guests or employees and support services. They do, however, provide overflow lodging for the Park and thus, staging points for many day visitors traveling to the Park.

Competitive Setting

Springdale

Springdale, Utah, is the closest community to Zion National Park. Due to its proximity to Zion National Park and the development of the Park's visitor transit system which ties Springdale to the Park, the city has become the primary staging area for day visitors into the Park. As visitation to the Park has steadily grown, Springdale has developed fairly sophisticated shopping, dining, and lodging opportunities for regional visitors.

Springdale provides the greatest number of hospitality options of any community in proximity to Zion National Park. In addition, because Springdale is adjacent to the Park's South (and

³ Mapquest Driving Directions

⁴ St. George Area Chamber of Commerce



primary) entrance it has developed into the primary Park visitor alternative to the Park concession for lodging, food and beverage, and retail services. Accordingly, the market overview focuses on Springdale and to a lesser degree, the towns of Hurricane and Mt. Carmel Junction, both of which provide a significant level of commercial services to Park visitors.

Lodging Sector

According to the Zion Canyon Visitors Bureau, there are approximately 705 hotel rooms in the Springdale area; a figure which includes bed and breakfasts. 2005/06 rates ranged from about \$40 to \$250, with the majority of properties offering rates in the \$70 to \$100 range. In early 2006, there are approximately 21 hotels, motels, and bed and breakfasts in Springdale. There are an additional 20 hotels, motels, and bed and breakfasts in the surrounding towns of Rockville (5), Virgin (2), Hurricane (7), and Mt. Carmel Junction (6). Thus Springdale has more lodging opportunities than the other four communities combined⁵.

The busiest season is fall, and hotels in Springdale run occupancies of 95% to 100%. In the spring, occupancies run at approximately 85% to 90%. Occupancy rates fall to around 50% during the winter months.

Exhibit 5 presents key tourism indicators for the Springdale-Hurricane market region. From Exhibit 5 the highly seasonal nature of the Springdale-Hurricane tourism market is evident. For example, revenue generated by each available room (RevPAR) is nearly five times greater in September than in December and January. Exhibit 6 graphically presents average monthly occupancy for the Springdale-Hurricane region. It should be noted that because Exhibit 5 aggregates Hurricane and Springdale occupancy data, average daily rate (ADR), and RevPAR data, Exhibits 5 and 6 should not be considered representative of Springdale lodging performance, as Hurricane values are lower, thus reducing the average monthly aggregated values.⁶ Exhibit 6 nonetheless reveals that, indeed, the fall months of September and October are the busiest time of year, with occupancy rates increasing steadily through the spring months of April and May, and into the early summer month of June. However, in the mid-summer months of July and August, there is a slight decrease in occupancy rates, since these are the hottest months of the year.

⁵ Zion Canyon Visitors Bureau

⁶ Hotels/Motels in Smith Travel Research Study: Hurricane: Travel Lodge (63 rooms); Super 8 (52 rooms); Comfort Inn (53 rooms); Motel 6 (53 rooms); Days Inn (40 rooms); Springdale: Best Western Zion Park Inn (120 rooms); Quality Inn at Zion Park (42 rooms); Rodeway Inn (36 rooms).

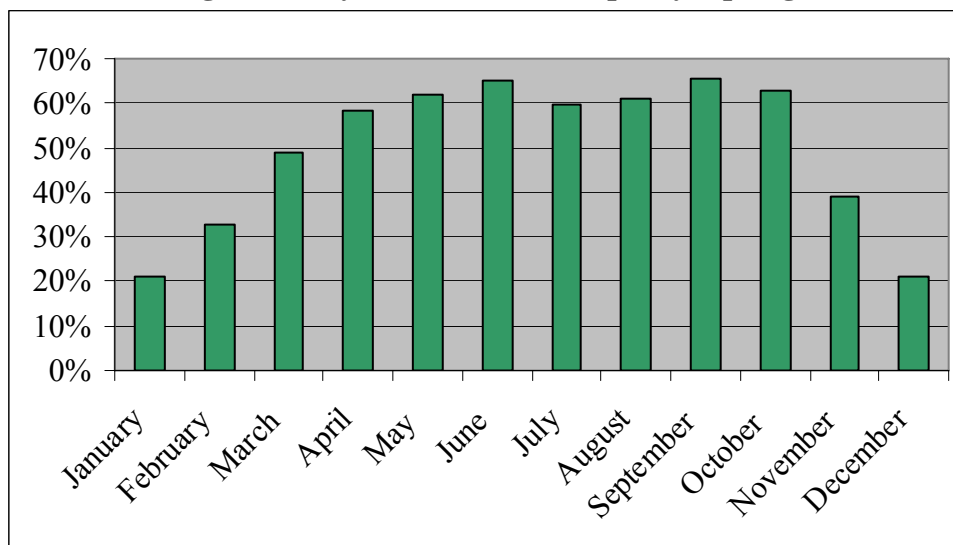


Exhibit 5
2002-2004 Tourism Indicators for Springdale-Hurricane Area

	Average Occupancy Rate	ADR	RevPar
January	21.0%	\$44.46	\$9.32
February	32.8%	\$51.94	\$17.06
March	48.9%	\$55.24	\$27.03
April	58.3%	\$63.63	\$37.09
May	61.8%	\$65.16	\$40.24
June	65.2%	\$66.07	\$43.04
July	59.5%	\$67.68	\$40.27
August	61.0%	\$66.69	\$40.66
September	65.4%	\$66.38	\$48.34
October	62.8%	\$65.42	\$41.09
November	39.2%	\$51.75	\$20.31
December	21.2%	\$45.07	\$9.55

Source: Smith Travel Resource Market Trend Report, Springdale-Hurricane

Exhibit 6
2001-2005 Average Monthly Hotel/Motel Occupancy, Springdale-Hurricane



Source: Smith Travel Resource Market Trend Report, Springdale-Hurricane

Significant further expansion of lodging services in Springdale, at least in the near term, is not anticipated due in large part to the limited availability of land in the area. Local area economic development, visitors bureau and chambers of commerce did not describe new commercial developments pending in Springdale or in the surrounding communities that would have meaningful impact on the local competitive market environment, including concession operations within the Park. There has been no significant change in recent years in the level and nature of lodging demand in Washington County.

Most of the hotel, motel, and B&B owners/operators in Springdale and Mt. Carmel Junction have very little direct competition with the concession lodge. Some of the hotel business in



Springdale and Mt. Carmel Junction derives from concession overflow (visitors who would otherwise choose to stay in the Park if rooms were available). Some business owners, however, feel they have established their own clientele and are not dependent on Park concession overflow.

Food & Beverage

Most local restaurant/café owners feel that the level of competition with the concession restaurant services is minimal and that they simply do not compete with concession restaurant services for several reasons. First, local restaurants/cafes believe they are offering differentiated dining compared with the concession lodging restaurant and thus attract an independent clientele. Second, many restaurant managers/owners indicate that concession lodging guests made up a small percentage of their daily clientele with estimates between 5% and 10%. Local restaurant managers/owners indicated that lodging guests tend to dine at the concession restaurant for lunch and dinner rather than make the trip into town. For this reason, local restaurants believe they are serving a different market: individuals who lodge in town versus individuals who lodge in the Park.

Retail

Most local retail businesses in Springdale have indicated that they feel no competition with concession retail services. In addition retail owners/managers believe that the vast majority of their clientele are composed of shoppers lodging in town, with only a small percentage of patrons being concession lodging guests. No significant changes in the competitive environment have been observed in recent years. Retail shop owners/managers have expressed no major concerns regarding the current or future local business environment and possess an optimistic outlook on future sales, as business continues to improve over previous years. Similar to the food and beverage sector, the retail sector in Springdale appears to be largely independent of the concession operations, as the majority of sales are derived from in town lodging guests and concession retail operations do not appear to be a significant source of competition.

Conclusion

The market assessment for the Zion National Park concession indicates negligible current and anticipated future competitive pressure on the operation due to the desirable and unique location of the Zion National Park concession compared to the less desirable overflow locations of the surrounding communities, including Springdale, Mt. Carmel Junction, and Hurricane. Limited land availability in these communities, particularly Springdale, pose further limits to future hospitality expansion in this region. In addition, the strength of tourism in this market region appears to be strong. 2003 tourism spending in Washington County, at around \$523.5 million, was the second largest in the State, representing 11.3% of total Utah tourism spending. Furthermore, visitation to Zion National Park has continued on a slight upward trend, increasing at a compound annual growth rate of 1.8% from 1991 to 2004. These findings provide strong support for the conclusion that the Zion National Park concession's historically stable sales performance may be maintained without competitive challenge during the term of the next contract.



ZION NATIONAL PARK

Exhibit 7 West Temple, Zion National Park



Source: National Park Service

Zion National Park is located in southwestern Utah, and is part of the Southwest's "Grand Circle" of national parks, monuments, and recreation areas. Most visitors reach the Park via Interstate 15 and State Route 9. The Park consists of 148,016 acres and is open to the public year round. The Park is characterized by high plateaus, a maze of narrow, deep, sandstone canyons, and striking rock towers and mesas.

Weather

Zion Canyon weather is generally mild in the winter and hot in the summer. During the primary summer season daytime temperatures usually range from 90 to 100 degrees Fahrenheit.

Exhibit 8 Climate of Zion National Park

Zion National Park - Monthly Climate Normals													
(in Fahrenheit)													
	All Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High Temperature	78	62	64	75	83	90	99	103	100	95	85	68	62
Low Temperature	44	22	23	30	37	47	56	66	64	53	40	33	22
Avg. Temperature	61	40	45	50	58	67	78	84	82	74	63	50	41
Average Rainfall	15.4	1.6	1.6	2.0	1.2	0.8	0.5	1.3	1.8	1.0	0.9	1.5	1.3

Source: Western Regional Climate Center



Park Visitation

Most visitors arrive by private automobile or on tour buses. There are three entrances to the Park, two located on State Route 9 and one off Interstate 15 at Kolob Canyons. The closest airports with year round scheduled flights are in St. George and Cedar City, Utah, and Las Vegas, Nevada.

An analysis of the 1991 through 2005 National Park Service visitation data for Zion National Park indicated that recreational visitation accounts for approximately 99.1% of total visitation on average. Therefore, the figures in this section simply reflect total visitation.

Exhibit 9
Annual Zion National Park Visitation, 1991 to 2005

	Visitation	% Change
1991	2,127,812	
1992	2,258,985	6.2%
1993	2,371,367	5.0%
1994	2,292,773	-3.3%
1995	2,452,059	6.9%
1996	2,519,902	2.8%
1997	2,467,434	-2.1%
1998	2,391,944	-3.1%
1999	2,471,563	3.3%
2000	2,454,245	-0.7%
2001	2,249,387	-8.3%
2002	2,614,445	16.2%
2003	2,484,130	-5.0%
2004	2,699,241	8.7%
2005	2,586,665	-4.7%
Average	2,429,463	
CAGR	1.4%	

Source: Public Use Statistic website (<http://www2.nature.nps.gov/stats/>)

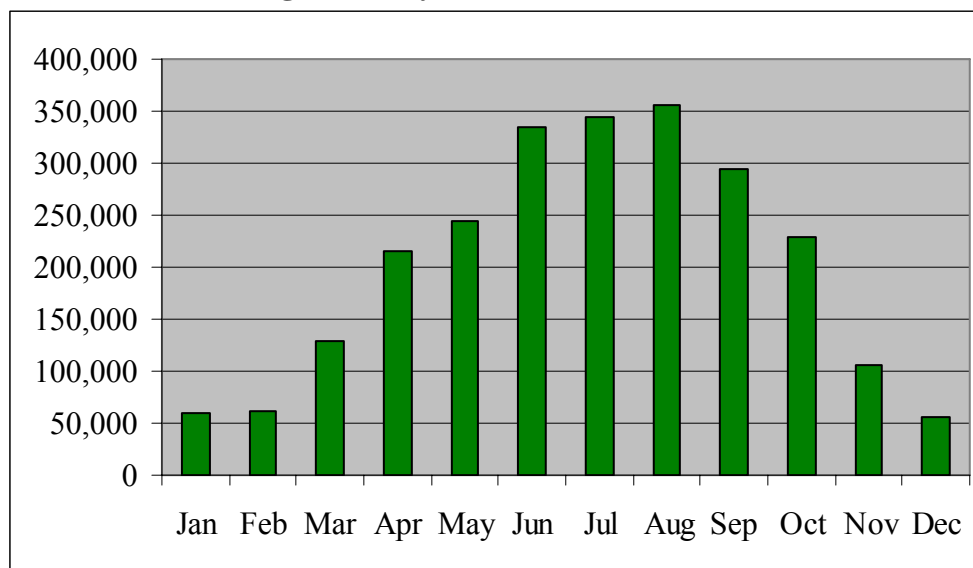
Exhibit 9 shows estimated annual total Zion National Park visitation for the 14-year period 1991 to 2005. The exhibit indicates that during this period Zion National Park averaged about 2,429,463 visits per year, peaking at 2,699,241 visits in 2004. The exhibit further shows that visitation to the Park during the period trended upward at a compound annual growth rate (CAGR) of 1.4% per year. For comparison, total recreation visitation in the entire National Park Service System increased at a compound annual rate of only 0.26% during the same period.⁷

⁷ National Park Service System Visitation Report



Total visitation to Zion National Park increased at a rate approximately seven times greater than for the entire National Park System over the period 1991 to 2005. The substantial decline in 2001 is attributed in large part to the events of September 11, with a clear rebound in the subsequent year.

Exhibit 10
Average Monthly Zion Visitation, 1991-2004



Source: Public Use Statistic website (<http://www2.nature.nps.gov/stats/>)

Exhibit 10 illustrates historical monthly visitation trends at Zion National Park.

Geographic Layout

The developed area at Zion National Park is located in three general areas, with buildings concentrated at the Park Headquarters area, Zion Canyon, and to a lesser degree at Kolob Canyons.

The main Lodge and all associated buildings that provide overnight accommodations, main food service and merchandising, are located within Zion Canyon, which is the most visited area in the Park.



Exhibit 11 Map of Zion Canyon



Source: National Park Service (www.nps.gov/zion)



Zion Canyon Transportation (Shuttle) System

Visitors can access the Zion Canyon Scenic Drive only by shuttle bus from early April through the end of October. Private vehicles are not allowed in Zion Canyon during this timeframe unless they have reservations at the lodging facility in the Park. The shuttles operate in two loops, one making six stops in the town of Springdale and the other making eight stops at points of interest in the Park. There is no charge for riding on the shuttle.

Exhibit 12 Zion Transportation System, Zion National Park



Source: National Park Service

Other Commercial Visitor Services

In addition to the services provided under the Existing Contract, two other entities provide visitor services within Zion National Park under concession contracts. Bryce-Zion Trail Rides, Inc., provides guided interpretive trail rides. Its 2005 sales were approximately \$317,820. And the Zion Natural History Association (ZNHA) has a contract to provide visitor convenience items at the Zion National Park Visitor Center. Its 2005 sales under that contract were approximately \$140,452. In addition to the visitor convenience items sold by the ZNHA, it also sells interpretive items at three locations in the park under a cooperative agreement with the National Park Service.



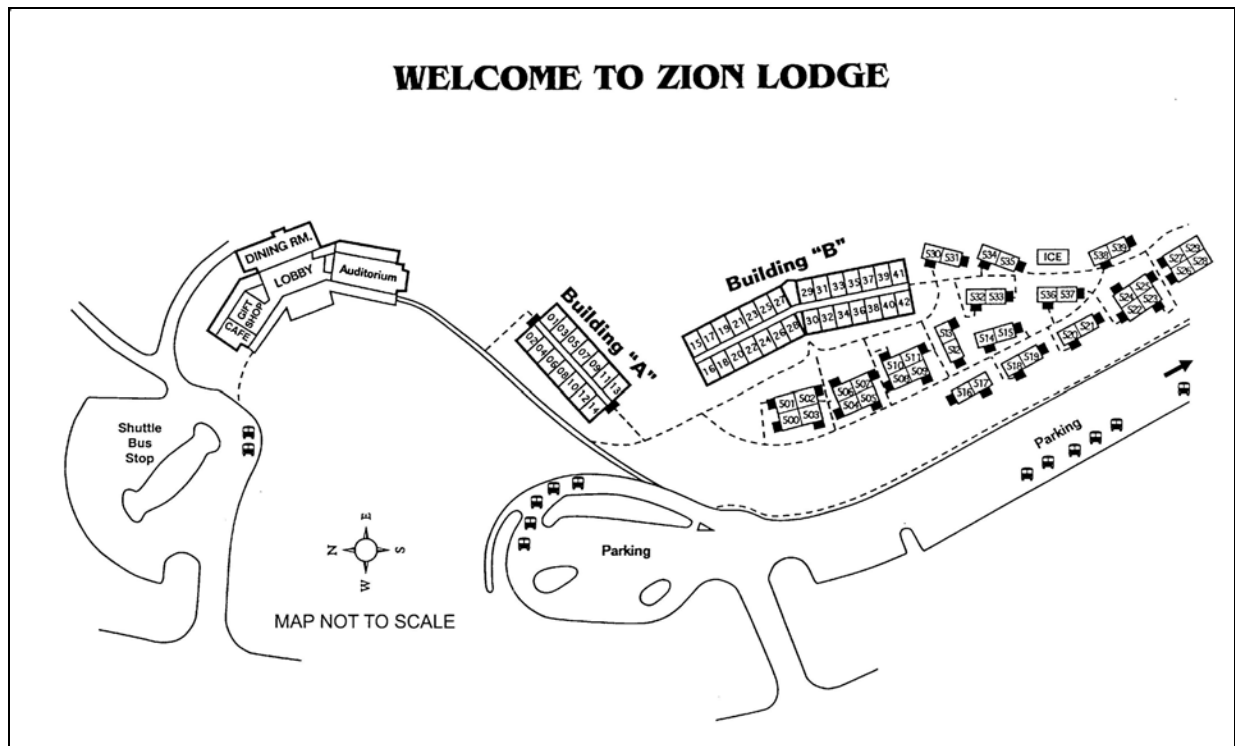
EXISTING CONCESSION OPERATION

The Existing Contract between the Service and the Existing Concessioner was effective beginning in 1984, originally expired on December 31, 2003, and has been extended or continued until December 31, 2007. The Existing Contract includes the following operations within Zion National Park:

- Lodging accommodations at the Zion Lodge
- Food and beverage outlets
 - Full service at Zion Lodge Dining Room
 - Quick service and snacks at the Snack Bar
- Retail facilities at the Zion Lodge
- Interpretive tram tours
- Other services, including but not limited to vending.

The facilities are open year-round. The details of each service are provided in the following pages.

Exhibit 13
Xanterra Parks and Resorts Lodge Guest Orientation Map



Source: Xanterra Parks and Resorts, Inc.



Lodging

The lodging facilities at Zion National Park operate at near capacity throughout the late spring months, all summer months and remain at high occupancy into the fall. The highest average occupancy rates for the concession lodge are from May through October, with a historical occupancy rate of 99% in each of those months. The lowest average occupancy rates occur during the winter months of January and February at around 30%. The lodging facilities act as the focal point of other concession operations with a large share of the concession's food and beverage and merchandise receipts deriving from those same overnight guests.

Exhibit 14 Zion Lodge Main Building



Source: National Park Service

The original Zion Lodge (Lodge) building, designed by noted architect Gilbert Stanley Underwood, was destroyed by fire in 1966 and rebuilt using different plans. The building was remodeled in 1992 to bring it back to the appearance of the Underwood-designed building. Lodging facilities are comprised of 82 motel units and 40 cabins. The Lodge features a dining room, snack bar, and gift shop.



Exhibit 15
Zion Lodge Rooms and Rates

Unit Type	Number	2003	2004	2005	2006	2007
Motel Unit	82	\$ 117.00	\$123.00	\$129.00	\$139.00	\$149.00
Western Cabin Units	40	\$125.00	\$131.00	\$139.00	\$149.00	\$159.00

Source: National Park Service

Western Cabins are historic structures located near the main Zion Lodge building. Each structure has either two or four 375-square-foot lodging units. Each unit is made up of three rooms: a sleeping room generally with two queen beds, table and chairs; a bathroom with a full tub, shower, toilet and vanity; and a dressing room with a vanity and luggage rack. Each cabin was remodeled as of 1997. Each unit has its own outside porch entrance with a wrought-iron bench. Most of the cabins have a connecting door to a second unit. All units have working gas fireplaces, art work, tiled bathrooms and all new furnishings.

The *Motels* are two two-story structures located near the main lodge. Motel Building A has 28 310-square-foot units in it and Motel Building B is a much larger building with 54 units. Motel Building B also contains a laundry capable of laundering the sheets and towels used for the lodging operation. Each motel unit is made up of three rooms: a sleeping room with two queen beds, a bed-side table, chest of drawers with mirror, table and chairs; a room leading from the sleeping area to the bathroom, containing a vanity; and a bathroom with a shower and toilet.



Exhibit 16
Zion Lodge – Motel Unit A



Zion Lodge – Motel Unit Interior



Source: National Park Service

Zion Lodge - Western Cabins



Zion Lodge - Western Cabin Interior



Source: National Park Service

Food and Beverage

Exhibit 17 Zion Lodge Dining Room



Source: National Park Service

The Existing Concessioner operates two food and beverage outlets plus a coffee bar. The 2,700 square foot Zion Lodge Dining Room provides full-service dining. It serves three meals each day and offers a range of food at a variety of price points, with a slight emphasis on fine dining entrees. In general, entrée prices for breakfast vary from \$4 to \$8, lunch from \$5 to \$10, and dinner from \$11 to \$21. The Lodge Dining Room has the highest entrée prices during its dinner meal, offering fine dining entrees such as Blackened Chicken with Mango Salsa and Trout Amandine. There are 240 seats available, and the dining room operates at or near capacity during most of the peak operating season. In addition to these 240 indoor seats, an outdoor seating area adds 40 seats. The Lodge Dining Room serves alcoholic beverages.

The second food and beverage outlet is a snack bar located near the main lobby of the Lodge, with 80 indoor seats and 40 outdoor patio seats. Food at the snack bar is a quick-service type facility open for lunch and dinner daily. It may be open for breakfast as well. Menu items are offered at price points ranging from \$7 to less than a dollar. The coffee bar, located in the Lodge lobby, serves coffee and pastries typical of a coffee bar. Each outlet remains open throughout the peak operating season. The snack bar may close during the off-season with the approval of the Superintendent.



Exhibit 18 Zion Lodge Snack Bar



Source: National Park Service

Retail

The Concessioner 2,000 square foot retail outlet is located in the main Zion Lodge building. It offers a wide range of clothing, jewelry, film and souvenir items.

Exhibit 19 Zion Lodge Gift Shop



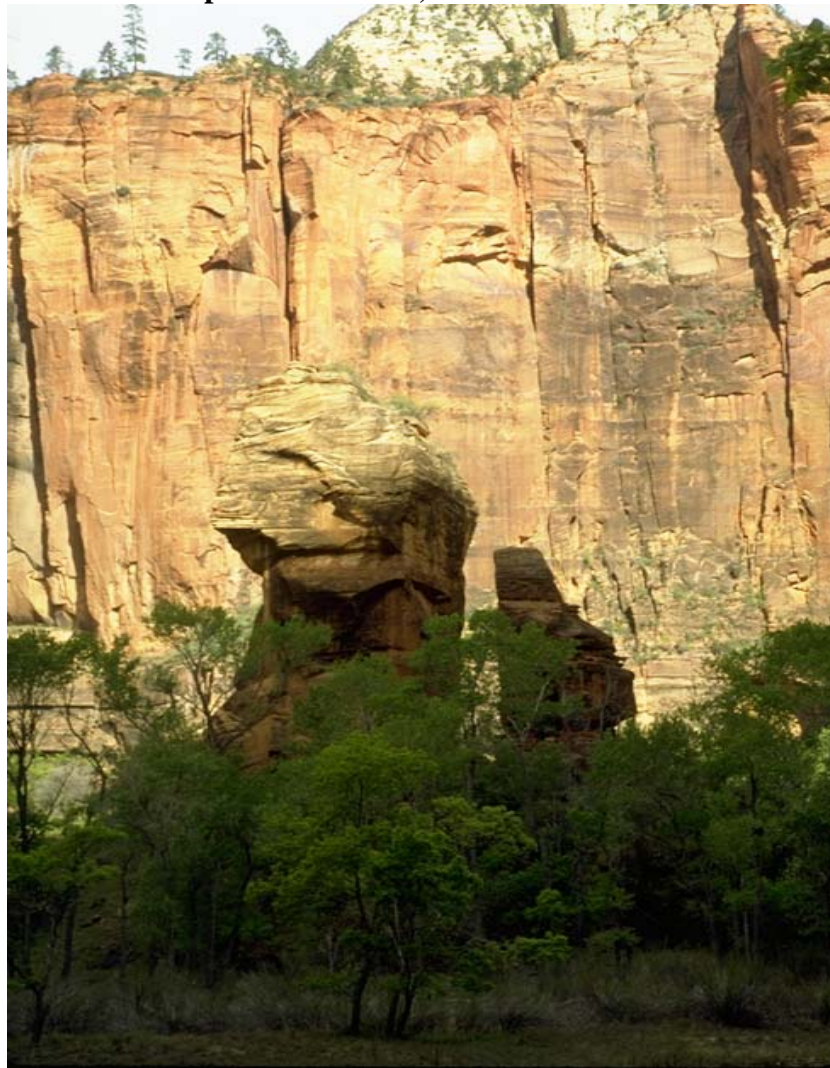
Source: National Park Service



Tram Tours and Other Services

Other visitor services include tram tours, vending machines, and pay telephones. The Existing Concessioner provides a reservation-only open-air tram interpretive tour in Zion Canyon between the Zion Lodge and the Temple of Sinawava. The tour is narrated by a Concessioner employee who provides park approved interpretive information. This service is available to groups. Tour bus groups provide most of the demand for this service since buses are not allowed in Zion Canyon past the Lodge. The tram seats 42 passengers and operates during daytime hours between April and October. In 2005, 6,104 visitors took the tour, which generated \$38,826 in revenue for the operation.

Exhibit 20
Temple of Sinawava, Zion National Park



Source: National Park Service



FUTURE CONCESSION OPERATIONS

The Draft Contract will require no new services and facilities, only the continuation of the existing services and facilities. The required and authorized services in the Draft Contract are identified below. In case of any inconsistency between this section and the attached Draft Contract, the attached Draft Contract will control.

Required and Authorized Services

Required Visitor Services. The Concessioner is required to provide the following visitor services during the term of this Contract:

- Lodging/overnight accommodations at the Zion Lodge.
- Food and beverage outlets offering a variety of service styles (full service at the Lodge dining room, quick service and snacks at the Snack Bar).
- Retail facilities at the Lodge Gift Shop.
- Pay telephones.

Authorized Visitor Services. The Concessioner is authorized but not required to provide the following visitor services during the term of this Contract:

- Step-on interpretive guide service.
- Open air tram tours of Zion Canyon.
- Transportation service from Zion Lodge to trailheads outside Zion Canyon.
- Limited vending throughout the Zion Lodge area complex, including beverages.

Essential operating and maintenance requirements for each required service are provided in the operating and maintenance plans, which are a part of the Draft Contract.

Recreation Hall/Offices

The recreation hall and office building is part of the Concessioner's land and real property assignment under the Draft Contract. It is a 5,900 square foot building constructed in 2000 and contains a large employee recreation area and several offices.



Exhibit 21 Recreation Hall/Offices



Source: National Park Service



Employee Housing

The Draft Contract requires the Concessioner to provide employee housing, food, and recreation programs. Refer to Draft Contract Exhibit B, Section 2E(9). The Concessioner is allowed to charge employees only a sufficient amount to recover the cost of providing these services.

Exhibit 22 outlines the number of employees housed in each dormitory assigned and managed by the Concessioner. The housing units are all within walking distance to the Lodge. Not including 10 RV sites, the total capacity for employee housing is 148 people, based on two beds per room in all of the dormitories. The Existing Concessioner has dedicated one dormitory, Box Elder, to single status occupancy for managers, supervisors, and those who work late night shifts. There are also 10 RV sites (that may be expanded slightly prior to the start of the new Contract) available with full hookups within the employee housing area. After award, the Park will consider proposals to convert the Concessioner's office space within the Recreation Facility to employee housing if desired by the Concessioner.

Exhibit 22
Employee Housing by Unit

Units	Rooms
Overlook Dormitory	24
Canyon Vista Dormitory	14
Cottonwood (Chalet) Dormitory	12
Box Elder Dormitory	24
RV Sites	10

Source: National Park Service

External Factors

Several external factors may affect the Draft Contract. Prospective offerors should consider the potential effects of these factors when preparing their proposals. The Service considered these factors while developing this Prospectus and the estimates contained herein.

- **Work Environment:** The concession operation is within the boundaries of Zion National Park and, therefore, is subject to compliance with Applicable Laws, including, but not limited to, all National Park Service regulations and policy, the National Environmental Policy Act (NEPA), and Section 106 of the National Historic Preservation Act. The Concessioner must operate its business in a manner that addresses protection of night skies, soundscape management, use of sustainable building materials, environmentally green products and water conservation.
- **Climate:** Zion National Park experiences varying weather conditions, including extreme summer heat. These conditions can result in additional maintenance needs. Equipment may require special care to keep it operable.



- **Historic Structures:** The Zion Lodge and Birch Creek Complex are listed in the National Register of Historic Places as historic districts with each building as a contributing feature. These districts include two dormitories and 40 cabin units at the Zion Lodge and an office/recycling facility (HS-86) in Birch Creek. The buildings, lawn, parking areas, and pedestrian/traffic circulation patterns in both areas contribute to a historic cultural landscape and require certain maintenance requirements related to building, lawn, and vegetation maintenance. Building maintenance on all historic buildings must meet Secretary of the Interior Standards for Treatment and Rehabilitation of Historic Buildings in accordance with Section 106 of the National Historic Preservation Act, as amended.
- **Remoteness, Supply, and Logistical Issues:** Unlike a major metropolitan area, the number of locally available contractors, suppliers, and human resources is very limited. As a result, the Concessioner must recruit firms from outside the area, incurring additional costs for housing, transportation, etc., or else the Concessioner must undertake services internally that might otherwise be outsourced.
- **Support Facilities:** The Draft Contract will assign New Concessioner the following support buildings. Other support needs must be met outside the boundaries of Zion National Park.
 - Maintenance Building, HS-87 – Used by the Existing Concessioner for maintenance storage and a small office area, this rectangular one story building is 20' x 24' (480 sq. ft.) and has a gabled roof and wood shingles. The building was built in 1929 and, although not eligible for listing in the National Register, is listed on the Park's List of Classified Structures as a historic resource. The building has electric utilities.
 - Maintenance Building (proposed) – Proposed for construction in 2007, this one story building will measure 28' x 12' (336 sq. ft.) and will be used for maintenance storage. The building will have electric utilities.
 - Maintenance Building, HS-86 – Used by the Existing Concessioner for storage and as a recycling center, this rectangular one story building is 54' x 24' (1296 sq. ft.) and has a gabled roof and corrugated metal siding on stud frame. Built in 1926 and located in the Birch Creek Historic District, the building is listed in the National Register of Historic Places. Major rehabilitation of the building in 2007 will reconfigure interior space for storage, construct an office area, and install a restroom facility. The building has electric and water utilities.
 - Recreation Facility – Used by the Existing Concessioner for office space and employee recreation use, this building was constructed in 2000 and measures 75' x 87'. The building is 5,900 sq. ft. with approximately 4,770 sq. ft. of actual floor space. At present approximately 1377 sq. ft. is used for office space comprising seven office areas. There are also two restrooms, an employee TV room and large exercise area including a basketball court. The building has electric and water utilities.



- Bake Shop, HS-205 – Used by the Existing Concessioner for storage, this rectangular one story building is 15' x 21' (315 sq. ft.) with a gabled roof and wood shingles. The building was built in 1931 and, although not eligible for listing on the National Register, is listed on the Park's List of Classified Structures as a historic resource. The building has no utilities.

FINANCIAL AND OPERATING DATA

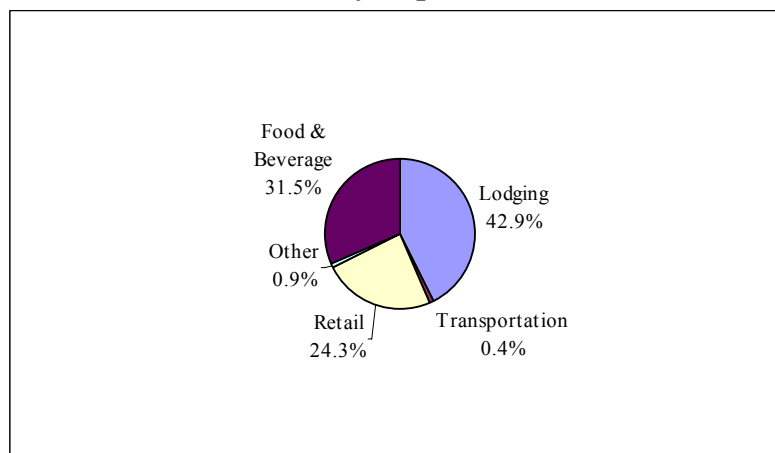
The Proposal Package requires Offerors to develop financial projections based on the businesses to be operated. In order to assist the Offerors in the development of these projections, information regarding historical utilization and operating data as well as some baseline projections for the services to be provided under the Draft Contract are presented on the following pages. Please note that operating projections are only estimates based on National Park Service assumptions that were developed taking into account publicly available historical data, industry standards, and other comparable facilities information.

Some or all of the projections may not materialize and unanticipated events may occur that will affect these projections. Due to the fact that authorized services are services that may or may not be offered by the Concessioner, the estimates provided do not include revenues or expenses associated with authorized services. The Offeror should be appropriately cautious in the use of all operating estimates. Although the Service does provide some financial projections, Offerors are responsible for producing their own prospective financial analyses and may not rely on the Service projections. The Service does not warrant and assumes no liability for the accuracy of the financial projections or estimates contained in this Prospectus.

Historical Contract Gross Receipts

The concession operation generated gross receipts from \$7 million to \$9.5 million annually from 2000 through 2005, respectively. Lodging, food and beverage, and retail accounted for approximately 40%, 30% and 25% of total concession gross receipts, respectively. Exhibit 23 displays the distribution of revenue by department for the Existing Contract.

Exhibit 23
Revenue Breakout by Department (2000 - 2005)



Source: Existing Concessioner Annual Financial Reports



Total concession gross receipts increased from 2002 to 2005 at an average annual rate of 3.6%, despite the slowing of the national tourism economy during that period. The following exhibit displays historical gross receipts from 2001 through 2005.

Exhibit 24
Total Concession Gross Receipts, 2001 to 2005

2001	2002	2003	2004	2005
\$7,184,405	\$7,834,098	\$8,710,270	\$9,043,462	\$9,486,035

Source: Existing Concessioner Annual Financial Reports

Lodging

The facilities at Zion Lodge include motel rooms and rustic cabins. Overall, there are 122 lodging units available at the Zion Lodge concession. Lodging is offered throughout the year. Lodging revenue increased from \$2.9 million in 2000 to \$3.8 million in 2004, growing at an average annual rate of 7%. Exhibit 25 outlines lodging department revenue from 2001 to 2005.

Exhibit 25
Lodging Departmental Revenue, 2001 to 2005

2001	2002	2003	2004	2005
\$3,119,248	\$3,434,805	\$3,819,420	\$3,840,712	\$4,031,895

Source: Existing Concessioner Annual Financial Reports

The inventory of lodging units is not expected to increase during the Draft Contract. Accordingly, projected lodging department gross receipts are assumed to be similar to historical departmental gross receipts and increase at the rate of inflation.

Exhibit 26
Lodging Revenue Projections

	2009	2010	2011	2012	2013
Gross Revenue	\$4,395,843	\$4,527,718	\$4,663,550	\$4,803,456	\$4,947,560
Change from Prior Year	3.0%	3.0%	3.0%	3.0%	3.0%

Source: National Park Service

Expenses

Lodging departmental expense is based on historical expenses and industry comparables. Lodging expenses are expected to increase at the rate of inflation. Lodging departmental expense estimates are projected to be as follows:

- Direct Labor 10-12% of departmental revenue
- Other Departmental Costs 14-20% of departmental revenue

Food and Beverage



Food and beverage (F&B) revenue is broken down into three sub-departments: restaurant, snack bar, and beverage. Most food and beverage sales occur at the Zion Lodge Dining Room, with almost 64% of total F&B gross receipts. The Snack Bar accounts for 27% of departmental gross receipts and beverage sales account for the other 9% of sales. Historical food and beverage gross receipts are shown in Exhibit 27 below.

Exhibit 27
Food and Beverage Departmental Gross Receipts, 2001 to 2005

2001	2002	2003	2004	2005
\$2,219,684	\$2,392,072	\$2,773,749	\$2,904,432	\$3,202,743

Source: Existing Concessioner Annual Financial Reports

Exhibit 28 presents a breakdown of the Zion Lodge concession's food and beverage gross receipts. During the period 2002-2005, beverage gross receipts experienced the greatest average annual growth of 14.2%, while to-go food and breakfast gross receipts fell at an average annual rate of 66.4% and 1.4% respectively. In total, the food and beverage department experienced 8.2% real sales growth over the period 2002 to 2005.

The number of meals sold by the Zion Lodge concession restaurant increased by an average annual rate of 3.7% during the period, with the total average check increasing at an average annual rate of 4.5%.

One explanation for increased real F&B sales from 2002 to 2005 is the substantial increase in bus visitation to Zion National Park (including tour buses) and Zion Shuttle use over this period. Bus and Shuttle visitors are more likely to dine in Zion National Park for many reasons, including long driving/wait times, less individual mobility to dine elsewhere, scheduled tour programs, and general inconvenience of leaving the Park to dine.

In the three-year period from 2002 through 2004, the number of total bus passengers increased from around 98,000 in 2002 to roughly 140,000 in 2004.⁸ This represents a total increase over the period of 43% in bus passenger visitation or an average annual increase of nearly 20%. In addition, the Zion Shuttle, which operates in April through October and opened in May of 2000, experienced ridership increases over this period. Estimated ridership in 2004 was 2,628,443, compared to approximately 2,354,158 in 2002, which represents an average annual increase in Shuttle ridership of 5.7% over this period.⁹ The Zion Shuttle system permits a greater number of visitors to enter the Park at a given time than when limited parking availability would effectively serve as a limit to Park visitation in the peak season (only overnight concession lodge guests are currently allowed to park in Zion Canyon).

As expected, since bus and shuttle visitors are mostly day visitors (i.e. are visitors who do not stay overnight at the Zion National Park concession lodge), the greatest increase in demand for F&B items is in lunch and snacks. According to Exhibit 28, beverage gross receipts increased at

⁸ National Park Service System Visitation Report

⁹ National Park Service Zion Park Profile



the fastest rate (14.2%) over the period 2002-2004, followed by lunch gross receipts (13.3%), and snack gross receipts (12.0%).

Exhibit 28
Food and Beverage Gross Receipts by Meal, 2002-2004

	2002	2003	2004
Breakfast	\$346,250	\$370,747	\$384,470
Lunch	\$279,778	\$318,180	\$410,684
Dinner	\$901,281	\$1,059,888	\$1,159,971
To Go Food	\$2,909	\$4,605	\$376
Snack Bar	\$638,261	\$737,363	\$914,963
Total Beverage	\$221,590	\$279,963	\$330,275
F&B Gross Receipts	\$2,392,072	\$2,772,749	\$3,202,743

Source: Xanterra Parks and Resorts

Exhibit 29
Food & Beverage Revenue Projections

	2009	2010	2011	2012	2013
Gross Revenue	\$3,322,439	\$3,422,112	\$3,524,776	\$3,630,519	\$3,739,435
Change from Prior Year	3.0%	3.0%	3.0%	3.0%	3.0%

Source: National Park Service

Expenses

Food and beverage departmental expenses are based on historical expenses and industry comparables for each type of facility. Departmental expense estimates are projected to be as follows:

- Cost of Goods Sold 24-28% of departmental revenue
- Direct Labor 26-30% of departmental revenue
- Other Departmental Costs 10-15% of departmental revenue

Retail

From 2001 to 2004, retail revenue grew by an average annual increase of 4.4%, with increases in the sub-categories of gift, handicraft, grocery and other merchandise sales. Photo sales were the only sub-category that showed a drop in revenue during this time period. There was a slight drop in 2005 total retail gross receipts (2.5%).

Retail is most dependent upon day visitors as a source of sales. As such, the increase in retail sales also corresponds to the increase during the period in bus traffic and shuttle ridership previously noted. The decrease in 2005 retail revenue (2.5%) is approximately half of the drop in 2005 park visitation (4.7%). Exhibit 30 details historical retail sales from 2001 to 2005.

Exhibit 30
Retail Sales Departmental Revenue, 2001 to 2005

	2001	2002	2003	2004	2005
Retail Sales	\$1,737,081	\$1,897,392	\$2,013,459	\$2,204,734	\$2,149,141



Source: Existing Concessioner Annual Financial Reports

The projections for Retail Department revenue assume that no substantive changes will be made to the retail facilities in the Draft Contract. Exhibit 31 details projected retail revenue.

Exhibit 31
Retail Sales Revenue Projections

	2009	2010	2011	2012	2013
Gross Revenue	\$2,392,156	\$2,463,921	\$2,537,839	\$2,613,974	\$2,692,393
Change from Prior Year	3.0%	3.0%	3.0%	3.0%	3.0%

Source: National Park Service

Expenses

Departmental expense estimates are projected to be as follows:

- Cost of Goods Sold 42-48% of departmental revenue
- Direct Labor 7-9% of departmental revenue
- Other Departmental Costs 7-9% of departmental revenue

Other Revenue

Other revenue is comprised of the following:

- **Transportation revenue**, from open air visitor tram tours of Zion Canyon, as well as vehicle and passenger shuttles from place to place within the Park;
- **Vending machine revenue**, which is derived from vending machines located throughout the Zion Lodge developed area, including employee areas,
- **Other miscellaneous revenue**, including telephone revenue and money collected from last-minute cancellations.

Exhibit 32 provides a summary of Other Revenue from 2001 to 2005.

Exhibit 32
Historical Other Revenue

2001	2002	2003	2004	2005
\$108,392	\$109,829	\$103,642	\$93,584	\$102,256

Source: Existing Concessioner Annual Financial Reports

Exhibit 33 details projected Other Revenue for 2009 through 2013.

Exhibit 33
Other Revenue Projections

	2009	2010	2011	2012	2013
Gross Revenue	\$112,452	\$115,825	\$119,300	\$122,879	\$126,565
Change from Prior Year	3.0%	3.0%	3.0%	3.0%	3.0%



Source: National Park Service

Total Estimated Future Revenue

Based on the previously detailed revenue estimates, Exhibit 34 presents total projected future gross receipts, which incorporate the anticipated future market conditions.

Exhibit 34
Total Estimated Future Gross Receipts

Department	2009	2010	2011	2012	2013
Lodging	\$4,395,843	\$4,527,718	\$4,663,550	\$4,803,456	\$4,947,560
Food & Beverage	\$3,322,439	\$3,422,112	\$3,524,776	\$3,630,519	\$3,739,435
Retail	\$2,392,156	\$2,463,921	\$2,537,839	\$2,613,974	\$2,692,393
Other	\$112,452	\$115,825	\$119,300	\$122,879	\$126,565
Total	\$10,222,890	\$10,529,576	\$10,845,464	\$11,170,828	\$11,505,953

Source: National Park Service

Based on industry trends and information available from each of the departments, the following undistributed and fixed expenses are projected:

- Undistributed Operating Expenses 12-15% of total revenue
- Insurance 1-2% of total revenue
- Facility Maintenance Expense 5%, as required by the Draft Contract
- Repair and Maintenance Reserve 5%, as required by the Draft Contract
- Personal Property Replacement 2-4% of total revenue

In preparing expense estimates, Offerors should take into account the following:

Operating Efficiencies with other Concession Contracts

The Existing Concessioner, Xanterra Parks and Resorts, Inc., currently benefits from efficiencies gained by also operating National Park Service concessions in Grand Canyon National Park, North Rim, (CC-GRCA002) and Bryce Canyon National Park (CC-BRCA003). The Existing Concessioner shares some support functions between the three operations even though these are separate and distinct contracts. The Service will not consider the award of GRCA002 or BRCA003 when selecting the best proposal for CC-ZION003-09. For the purpose of setting the minimum franchise fee, and forecasting expenses, the Service has assumed that the CC-ZION003-09 Draft Contract will operate on an independent, stand-alone basis. The Service issued CC-GRCA002 on November 3, 2006, and expects to publish a prospectus for the CC-BRCA003 operations before the award of the CC-ZION003-09 Draft Contract. Offerors may submit a proposal for any or all of these three concession contracts and may achieve similar efficiencies if awarded more than one.

Utilities

The Service provides water and sewer service to the Concessioner on a cost reimbursable basis. The Concessioner must obtain other utilities from outside providers. Information relating to current Service-provided utility rates can be found as an Appendix to the Prospectus.



REAL PROPERTY MAINTENANCE, REPAIR, AND REPLACEMENT

Facility Maintenance Expense Requirement

From 2001 through 2005, the historical routine repair and maintenance expenses ranged from 2.5% to 3.3% of gross receipts. Under the Draft Contract the Concessioner will be required to expend a minimum of five percent (5.0%) of gross receipts (as defined in the Draft Contract) on operational maintenance including repairs, cyclic and preventive maintenance, normally reoccurring within a seven year timeframe, as defined in Section 9(a) and Exhibit E, Maintenance Plan of the Draft Contract. This will translate to spending in excess of \$500,000 annually which the Service considers appropriate as a minimum expenditure to avoid future deferred maintenance.

Exhibit 35 presents a summary of projected future ordinary repair and maintenance expenses for 2009 to 2013 under the requirements by the Draft Contract.

Exhibit 35
Estimated Future Repair and Maintenance Expenses

	2009	2010	2011	2012	2013
Total Revenue	\$10,222,890	\$10,529,576	\$10,845,464	\$11,170,828	\$11,505,953
Repair & Maintenance	\$511,144	\$526,479	\$542,273	\$558,541	\$575,298
Percentage	5.0%	5.0%	5.0%	5.0%	5.0%

Source: National Park Service

Repair and Maintenance Reserve

The Draft Contract also requires the Concessioner to establish a Real Property Repair and Maintenance Reserve. Refer to Section 9(c) of the Draft Contract for guidance on the terms and conditions for the Repair and Maintenance Reserve. Under the Draft Contract, the Concessioner will be required to set aside and expend a minimum of five percent (5.0%) of gross receipts (as defined in the Draft Contract) on real property component renewal and replacement, normally occurring on a greater than seven year timeframe, as defined in Section 9(c) and Exhibit E, Maintenance Plan of the Draft Contract.

INVESTMENT ANALYSIS

The Existing Contract requires the Existing Concessioner to sell and transfer to the successor all other property of the Concessioner used or held for use in connection with such operations. A copy of the Existing Contract, CC-ZION003-85, as amended, can be found as an Appendix to this Prospectus. Service estimates of these costs are stated below.

Offerors should not rely on Service estimates in preparing and submitting proposals in response to this Prospectus. It is the responsibility of Offerors to make their own estimates of the compensation that must be paid to the Existing Concessioner under the terms of the Existing Contract. A list of possible property that may be required for purchase by the successful Offeror in accordance with the terms of the Existing Contract is included in an Appendix to this



Prospectus. The list is not necessarily complete. Offerors must make their own determinations as to the scope of property that is to be purchased from the Existing Concessioner.

Other Property

The Service estimated the fair value of Other Property to be sold and transferred by the Existing Concessioner to a successor at \$1,390,000. This estimate includes the personal property directly affiliated with the concessions operation that are owned and operated by the Concessioner. There are numerous items included within this group of property including fleet vehicles, equipment, and furniture. This estimate does not include personal property owned by the government that will be assigned to the Concessioner.

The Existing Contract also requires the Concessioner to purchase the inventory from the Existing Concessioner. The value of this inventory is projected to be \$406,000 based on historical inventory levels.

Dispute Resolution

If the Existing Concessioner and the Concessioner cannot agree upon the value of any item or items of Other Property, the resolution will occur by the process described in the Existing Contract.

Required Investment

The Service estimates the initial investment required of the Concessioner in Exhibit 36.

Exhibit 36
Estimated Required Initial Investment

Personal Property	\$1,390,000
Inventory	\$406,000
Start-Up Costs	\$344,000
Total	\$2,140,000

Source: National Park Service

FRANCHISE FEE

The minimum franchise fee under the Draft Contract is twelve percent (12.0%) of annual gross receipts.

TERM AND EFFECTIVE DATE OF DRAFT CONTRACT

This Draft Contract is for a term of ten years beginning on its effective date, estimated as January 1, 2009. The effective date of the Draft Contract is subject to change prior to contract award if determined necessary by the Service. The expiration date of the Draft Contract will be changed



if a material adjustment is made to the effective date that would significantly impact the business opportunity.

SITE VISIT

A one-day site visit will occur on the date listed on the front page of this Prospectus. At that time, an overview of the Park will be provided by Service concession management personnel, along with a tour of existing Concession Facilities associated with this Draft Contract. Please contact Jack Burns, Zion National Park, at (435) 772-0145 or jack_burns@nps.gov for logistical information regarding this site visit.



PROPOSAL INSTRUCTIONS

CC-ZION003-09

Department of the Interior

National Park Service

Zion National Park

**Proposal to Operate Lodging, Food & Beverage, Retail,
and Other Services
within Zion National Park**

PROPOSAL INSTRUCTIONS

1) Response Requirements for Submission of Proposal

- a) This Prospectus is issued under the authority of 36 CFR Part 51 (incorporated by reference herein). In the event of any inconsistency between the terms of this Prospectus and 36 CFR Part 51, 36 CFR Part 51 will control. The Service presumes that all persons that submit a proposal in response to this Prospectus are informed of the provisions of 36 CFR Part 51.
- b) Proposals for the draft contract must be received by the due date and time shown on the front page of this Prospectus.
- c) Only an Offeror submitting a responsive proposal is eligible to be awarded the new concession contract. A responsive proposal means a timely submitted proposal that is determined by the Service as agreeing to all of the minimum requirements of the new concession contract and Prospectus and as having provided the information required by the Prospectus. The minimum requirements for the new concession contract are identified in Part A of the Proposal Package.
- d) Information “required by the Prospectus” refers to information expressly required by the Prospectus and that is material, as determined by the Service, to an effective evaluation of the proposal under the applicable selection factor.

2) Form in Which Proposal Must be Submitted

- a) Offerors must follow the format provided in the Proposal Package, including in its entirety without alteration the “Offeror’s Transmittal Letter,” in applying for the concession opportunity. Failure to submit a signed Offeror’s Transmittal Letter without alteration (except for filling in the indicated blanks) and a completed copy of Part A of the Proposal Package will make your proposal non-responsive.
- b) Please number each page and section in your completed proposal. Add information to your proposal only to the extent that it is necessary and relevant to respond to the factor. Each page should have a heading identifying the selection factor and subfactor to which the information contained on the page responds. It is important that your response stays within the organizational framework in the Proposal Package and provides all relevant information directly in response to each selection factor. However, the Service may consider relevant information contained elsewhere in a proposal in assessing the proposal’s response to each particular selection factor.

3) Submission Protocol

- a) Submit 6 (six) identical hard copies and one electronic copy, identical to the hard copy. In order to facilitate discussion and review of proposals among evaluation panel members, the electronic copy must be in a format that can be shared, copied, and passed easily. Microsoft Office programs or an Adobe PDF electronic version that allows for

copying and pasting of text using Adobe Reader software is acceptable. However, you must provide all financial spreadsheets in Microsoft Excel. In the event of a discrepancy between the electronic copy and the hard copies, information on the hard copies will control.

- b) Enclose copies in a sealed envelope with the following marked on the envelope:
 - (1) "CONCESSION PROPOSAL, MAILROOM DO NOT OPEN"
 - (2) The due date specified in the Prospectus for receipt of the proposal by the Service.
 - (3) The name and address of the Offeror.
- c) The Service, at the appropriate address, must receive proposals by the time and date shown on the front page of this Prospectus.

4) Proposals Considered Public Document

- a) All proposals submitted in response to this Prospectus may be disclosed by the Service to any person, upon request, to the extent required or authorized by the Freedom of Information Act (5 USC 552).
- b) If you believe that your proposal contains trade secrets or confidential commercial and financial information exempt from disclosure under the Freedom of Information Act, mark the cover page of each copy of the proposal with the following legend:

The information specifically identified on pages of this proposal constitutes trade secrets or confidential commercial and financial information that the Offeror believes to be exempt from disclosure under the Freedom of Information Act. The Offeror requests that this information not be disclosed to the public, except as may be required by law.

You must specifically identify what you consider to be trade secret information or confidential commercial and financial information on the page of the proposal on which it appears, and you must mark each such page with the following legend:

This page contains trade secrets or confidential commercial and financial information that the Offeror believes to be exempt from disclosure under the Freedom of Information Act, and which is subject to the legend contained on the cover page of this proposal.

- c) Information so identified shall not be made public by the Service except in accordance with law.

5) Questions

If you do not understand something in this Prospectus, you must submit your questions in writing along with a floppy disk or CD (compact disc) containing the questions in an electronic format that allows the Service to copy the questions to Microsoft Word, to the contact person noted on the front page of the Prospectus, no later than the date specified on the front page of the Prospectus. Your questions must specify the section of the Prospectus

that is the subject of your inquiry. The Service will respond to your question in writing and will provide the question and response to all potential Offerors who have requested a Prospectus. Questions submitted after this date may not be answered. Because the Service must provide equal information to all Offerors, there must be sufficient time allowed to inform all interested parties of such questions and answers.

6) Evaluation of Proposals

- a) The Service will apply the principal selection factors and secondary factors as set forth in 36 CFR Part 51 by assessing each timely proposal under each of the selection factors on the basis of a narrative explanation discussing any subfactors when applicable and other supporting information.
- b) For each selection factor, the Service will assign a score that reflects the determined merits of the proposal under the applicable selection factor and in comparison to the other proposals received, if any.

The first four principal factors will be scored from zero to five. The fifth principal selection factor will be scored from zero to four (with a score of one for agreeing to the minimum franchise fee contained in the Prospectus). Secondary selection factor 1 will be scored from zero to three. The Service then will assign a cumulative point score to each proposal based on the assigned score for each selection factor.

- c) Principal Selection Factors. The five principal selection factors are:

Principal Selection Factor 1. The responsiveness of the proposal to the objectives, as described in the Prospectus, of protecting, conserving, and preserving resources of the Park area;

Principal Selection Factor 2. The responsiveness of the proposal to the objectives, as described in the Prospectus, of providing necessary and appropriate visitor services at reasonable rates;

Principal Selection Factor 3. The experience and related background of the Offeror, including the past performance and expertise of the Offeror in providing the same or similar visitor services as those to be provided under the new concession contract;

Principal Selection Factor 4. The financial capability of the Offeror to carry out its proposal;

Principal Selection Factor 5. The amount of the proposed minimum franchise fee, if any, and/or other forms of financial consideration to the Service. However, consideration of revenue to the United States will be subordinate to the objectives of protecting, conserving, and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates.

- d) Secondary Selection Factors. The secondary selection factors are:

Secondary Selection Factor 1. The quality of the Offeror's proposal to conduct its operations in a manner that furthers the protection, conservation and preservation of the park area and other resources through environmental management programs and activities, including, without limitation, energy conservation, waste reduction, and recycling.

7) Process of Selecting the Best Proposal

The Service will select the responsive proposal with the highest cumulative point score as the best proposal. If two or more responsive proposals receive the same highest point score, then the Service will select as the best proposal (from among the responsive proposals with the same highest point score) the responsive proposal that the Service determines on the basis of a narrative explanation will, on an overall basis, best achieve the purposes of 36 CFR Part 51. Consideration of revenue to the United States in this determination and in scoring proposals under Principal Selection Factor 5 will be subordinate to the objectives of protecting, conserving and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates (36 CFR § 51.16(c)).

8) Preferred Offeror Determinations

National Park Service Concessions Management Improvement Act

The National Park Service Concessions Management Improvement Act (P.L. 105-391) includes a preference for a preferred Offeror to the award of a qualified concession contract.

Under the provisions of 36 CFR Part 51, Subparts E and F, the Service has determined that this is not a qualified concession contract, and therefore, no preferred Offeror for this contract exists.

9) Congressional Review Process

Concession contracts issued for a term of more than ten years, or when the annual gross receipts are anticipated to exceed \$5,000,000 are required by law to be submitted to the Congress for sixty days before they may be awarded. The new concession contract will be submitted to the Congress because annual gross receipts are anticipated to exceed \$5,000,000.

10) Cautions to Offerors about Submission and Evaluation of Proposals

- a) All information regarding this Prospectus will be issued in writing. No Service representative or other government official is authorized to make substantive oral representations relating to this matter, and no Offeror should rely on any oral representations made by government officials with respect to this transaction.
- b) The proposal includes the selection factors to be used by the Service to evaluate proposals. Under each factor, the Service identifies subfactors to ensure that all elements of the factor are considered. You, the Offeror, should ensure that you fully address all of the selection factors and related subfactors.
- c) This Prospectus and related documents reflect the views and objectives of the Service with regard to the proposed concession operation. Should you believe any statement in the Prospectus to be inaccurate, you must submit comments to the Service in writing, no later than the date specified on the inside cover of the Prospectus for submitting questions. Send your comments to the office named in the cover of this Prospectus for the receipt of proposals.

- d) The information provided in this Prospectus, including the Appendices, is provided to allow Offerors to understand the operations and terms of the new concession contract. Offerors are encouraged to thoroughly review all information and required submittal documents before beginning to prepare a proposal.
- e) A proposal to expand the scope of investment, facilities, and/or services beyond those called for in this Prospectus will not be considered in the evaluation of proposals.
- f) A proposal to provide direct or indirect monetary or other benefits to the Park or government not within the scope or requirements of the contract will not be considered in the evaluation of proposals.
- g) If you propose to make any financial commitments and considerations in response to any selection factor, your proposal will be closely reviewed and analyzed against your financial statements and supporting documents with appropriate review of feasibility. Such documents reviewed and analyzed will include but not be limited to the Business Organization and Credit Information, pro forma income statements, audited financial statements and balance sheets contained in your proposal.
- h) The proposal and related materials submitted should reflect the entire proposal you are making. The Service will consider your written submission as your full and final proposal in response to the Prospectus, and will make its selection based on the written information you have submitted, and other appropriate information. Do not assume that the Service knows anything about you or your proposal. Do not assume that any information about you or your proposal, any previous correspondence or previous submissions are in the possession of or will be considered by the Service. This is true even if you are the current concessioner or have operated another concession within the park area or National Park System. In making its selection of the best proposal submitted in response to the Prospectus, the Service will consider the information submitted by offerors and has the right, but not the obligation, to consider any other available information relating to the matter.
- i) The attached draft concession contract and its exhibits set forth the terms and conditions under which the concession operation is to be conducted. The Service may amend a Prospectus and/or extend the submission date prior to the proposal due date. The Service also may cancel a solicitation at any time before the award of the concession contract if the Service determines in its discretion that this action is appropriate in the public interest. No Offeror or other person will obtain compensable or other legal rights as a result of an amended, extended, canceled, or reissued solicitation for this concession contract. (36 CFR § 51.11).
- j) Except as provided under 36 CFR § 51.4, the terms, conditions and determinations of the Prospectus and the terms and conditions of the draft concession contract as described in the Prospectus, including, without limitation, its minimum franchise fee, are not final until the concession contract is awarded.
- k) The Service may request from any Offeror who has submitted a timely proposal a written clarification of its proposal. Clarification refers to making clear any ambiguities that may have been contained in a proposal, but does not include amendment or supplementation of a proposal. An Offeror may not amend or supplement a proposal after the submission

date unless requested by the Service to do so, and unless the Service provides all Offerors that submitted proposals a similar opportunity to amend or supplement their proposals.

- l) The selected Offeror must execute the concession contract promptly after the selection of the best proposal, and within the time period specified by the Service. If the selected Offeror fails to execute the concession contract within the time period specified by the Service, the Service will select another responsive proposal for award of the concession contract, or will cancel the selection and may resolicit a new concession contract.
- m) Document delivery services, including overnight delivery, to some areas may not provide true overnight delivery. Offerors are encouraged to ensure the timely submittal of proposals by contacting the delivery service of their choice regarding delivery availability for the specific location identified on the front page of this Prospectus.
- n) The Service, in accordance with 36 CFR Part 51, may include as terms of the new concession contract, appropriate elements of the proposal selected for award of the concession contract, including, without limitation, investments, facilities, services, and other commitments.
- o) Offerors are responsible for undertaking appropriate due diligence with respect to this business opportunity. All of the statements made in this Prospectus regarding the nature of the business and its likely future are only opinions of the Service. Offerors may not rely on any representations of the Service in this regard.
- p) Unless otherwise expressly stated, the new concession contract does not permit the provision of visitor services by the concessioner through subconcession or other third party agreements, including management agreements. Accordingly, the entity that is to be the Concessioner under the new concession contract, unless the contract expressly states to the contrary, must have the capability to provide all visitor services under the new concession contract without the assistance of third parties. Joint ventures, partnerships, and other business entities are permitted.

PROPOSAL PACKAGE

CC-ZION003-09

Department of the Interior

National Park Service

Zion National Park

**Proposal to Provide Lodging, Retail, Food & Beverage,
and Other Services**

within Zion National Park

PROPOSAL SUBMISSION TERMS & CONDITIONS

- 1) The Offeror's Transmittal Letter set forth below indicates your acceptance of the terms and conditions of the concession opportunity as set forth in this Prospectus. It indicates your intention to comply with the terms and conditions of the Contract. The letter must bear original signatures and be included in the Offeror's response package. The Service will review the entire Proposal Package to determine whether your proposal in fact accepts without condition the terms and conditions of this Prospectus. If not, your proposal may be considered non-responsive, even though you submitted an unconditional Offeror's Transmittal Letter.
- 2) The Proposal Package is drafted upon the assumption that an Offeror is the same legal entity that will execute the new concession contract as the Concessioner. If the entity that is to be the Concessioner is not formally in existence as of the time of submission of a proposal, a proposal must demonstrate that the individuals or organizations that intend to establish the entity that will become the Concessioner have the ability and are legally obliged to cause the entity to be financially and managerially capable of carrying out the terms of the contract. In addition, the Offeror must unconditionally state and guarantee in its proposal that the Offeror will provide the Concessioner with all funding, management and/or other resources that the proposal offers.

To: Michael D. Snyder
Director
Intermountain Region
National Park Service
12795 West Alameda Parkway
Lakewood, CO 80228

Attention: Concessions Management Division (IMDE-ACM)

Dear Mr. Snyder:

The Offeror hereby agrees to provide visitor services and facilities at Zion National Park in accordance with the terms and conditions specified in the Concession Contract No. ZION003-09, provided in the Prospectus issued by the public notice as listed on www.fedbizopps.gov and to execute the draft concession contract without substantive modification (except as may be required by the National Park Service pursuant to the terms of the Prospectus).

The Offeror is enclosing the required "PROPOSAL" which, by this reference, is made a part hereof.

The Offeror certifies that the information furnished herewith is complete, true, and correct, and recognizes that false statements may subject the Offeror to criminal penalties of 18 U.S.C. 1001. The Offeror agrees to meet all the minimum requirements of the draft concession contract, and the Prospectus, and that the Offeror has provided all of the mandatory information specified in the Prospectus.

The Offeror certifies in accordance with 43 CFR Part 42, as applicable, the following:

Any of the individuals or entities seeking participation in this Concession Contract are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from a public transaction by a federal department or agency.

Within the three years preceding submission of the Proposal, none of the individuals or entities seeking participation in this Concession Contract have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, or for violation of federal or state antitrust statutes or for commission of embezzlement, theft, forgery, bribery, falsification of records, making false statements, or receiving stolen property.

None of the individuals or entities seeking participation in this Concession Contract are presently indicted for or otherwise criminally or civilly charged by a federal, state or local unit of the government with commission of any of the offenses.

The individuals or entities seeking participation in this Concession Contract have not had one or more public transactions (federal, state or local) terminated for cause or default within the three-year period preceding the submission of the Proposal.

The Offeror, by submitting this Proposal hereby agrees, if selected for award of the new concession contract:

1. To the minimum requirements of the Prospectus as identified in Part A of this Proposal Package.
2. To complete the execution of the final Concession Contract within thirty working days after it is presented by the National Park Service.
3. To commence operations under the new concession contract on the effective date of the new concession contract.
4. To operate under the current, Service-approved rates to visitors, until such time as amended rates may be approved by the Service.
5. To acquire the Personal Property and Inventory of the existing Concessioner under the terms of the existing concession contract.
6. To resolve any dispute regarding the value of the property of the existing Concessioner in accordance with the terms of the existing concession contract and to allow the Service to participate in the Personal Property value determination in the same manner and to the same extent as provided for with respect to Possessory Interest value determinations as described in 36 CFR Part 51 Subpart H.
7. [Include only if the Offeror is not to be the Concessioner under the draft concession contract.] To provide the entity that is to be the Concessioner under the draft concession contract with the funding, management and other resources described in our proposal.

BY _____ DATE _____
(Type or Print Name)

ORIGINAL SIGNATURE _____

TITLE _____

ADDRESS _____

CERTIFICATE OF CORPORATE OFFEROR

(Offerors who are not corporations should skip this certificate)

I, _____, certify that I am the _____ of the corporation named as Offeror herein; that _____, who signed this proposal on behalf of the Offeror, was then _____ of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

BY: _____ DATE _____

(Type or print name and date)

Original Signature

TITLE _____

ADDRESS _____

PART A

The minimum requirements for the draft concession contract are identified in this Part A of the Proposal Package. If the Offeror, in its transmittal letter, does not agree to these minimum requirements, the proposal will be considered non-responsive. A copy of Part A must be included in the Offeror's response package. (The requirements of Part B of this Proposal Package outline detailed subfactor submissions referenced in this part, as well as additional secondary selection factors.)

PRINCIPAL SELECTION FACTOR 1. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROTECTING, CONSERVING, AND PRESERVING RESOURCES OF THE PARK AREA.

The Offeror agrees to comply with all terms and conditions in the contract, including compliance with all applicable laws, including, without limitation, environmental protection and conservation laws, under the terms and conditions specified in the draft concession contract.

PRINCIPAL SELECTION FACTOR 2. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES.

The Offeror agrees to comply with all the terms and conditions specified in the Concession Contract, including its exhibits.

The Offeror agrees to operate at the current NPS approved rates during the term of the Concession Contract until such time as a new rate schedule is approved by the Secretary, in accordance with 16 U.S.C. 5955.

The Offeror agrees to accept the Concession Facilities, and any assigned government personal property "as is" as required by the draft concession contract, Section 8(f).

The Offeror accepts the draft Operating Plan included as Exhibit B of the draft concession contract.

The Offeror accepts the draft Maintenance Plan included as Exhibit E of the draft concession contract.

The Offeror agrees to accept the "Facility Maintenance Expense Requirement" of five percent (5.0%) of annual gross receipts, as described in the draft concession contract, including the administrative responsibilities associated with the funds.

The Offeror agrees to accept the "Repair and Maintenance Reserve" of five percent (5.0%) of annual gross receipts, as described in the draft concession contract, including the administrative responsibilities associated with the funds.

The Offeror agrees to implement an equal opportunity program and comply with the terms of the equal opportunity and handicapped access requirements of the draft concession contract.

The Offeror agrees to develop and implement an effective health and safety program (risk management program), according to the requirements of the draft Operating Plan for such programs.

The Offeror agrees to meet the public liability and property insurance requirements of the draft concession contract Exhibit F and agrees to provide property and liability insurance of at least the types and levels of coverage described in the draft concession contract.

PRINCIPAL SELECTION FACTORS 3 AND 4 DO NOT HAVE MINIMUM REQUIREMENTS FOR THIS PART. INFORMATION REQUIRED FOR PRINCIPAL SELECTION FACTORS 3 AND 4 IS IN PART B.

PRINCIPAL SELECTION FACTOR 5. THE AMOUNT OF THE PROPOSED MINIMUM FRANCHISE FEE, IF ANY, AND/OR OTHER FORMS OF FINANCIAL CONSIDERATION TO THE DIRECTOR.

The Offeror agrees to at least the minimum Franchise Fee of twelve percent (12.0%) of annual gross receipts.

PART B

PRINCIPAL SELECTION FACTOR 1. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROTECTING, CONSERVING, AND PRESERVING RESOURCES OF THE PARK AREA. (0-5 Points)

Service Objectives

The Service's objectives under this factor are for the Concessioner to protect, conserve, and preserve the historic Concession Facilities. The Service has particular concern for the preservation of historic structures and cultural landscapes. The character of a cultural landscape is defined both by physical materials, such as roads, buildings, walls and vegetation, and by use reflecting cultural values and traditions. The Zion Lodge complex is a National Register Historic District. The Zion Lodge's forty Western Cabins and several other buildings are listed in the National Register of Historic Places.

In the following subfactors demonstrate your experience and ability to provide a comprehensive maintenance program for the care of facilities within the land assignment.

Subfactor 1a: Provide an overall statement of your organization's philosophy on asset management for both historic and non-historic structures. Describe its origin and evolution and how you integrate the philosophy into your organization. Also describe your approach for the management of designated historic buildings assets.

Subfactor 1b: Substantiate your philosophical commitment to the preservation and maintenance of historic and non-historic buildings by providing:

1. Two examples of actions you have taken that involved an historic structure where historic character was either maintained or re-introduced as part of a rehabilitation activity (interior or exterior). A better answer would include how unanticipated problems were identified and corrected in each example.
2. Two examples that involved a substantial maintenance repair (interior or exterior) to a non-historic building. A better answer would include how unanticipated problems were identified and corrected in each example.

Note to Offeror:

Submit examples as a case study and include the following:

- *A description of how the project occurred.*
- *A description of the problems and challenges you faced.*
- *A description of the actions you took*
- *A description of the processes and systems [for example, work orders, computerized maintenance management system, etc.] that supported the activity.*
- *A narrative assessment of what made the maintenance action successful*

- *A narrative assessment of what part of the action or activity needed improvement*
- *Describe how this action impacted your maintenance procedures.*

Subfactor 1c: Substantiate your commitment to the maintenance of historic and non-historic assets and prioritization of activities by providing the following information:

1. Describe your proposed process for determining building condition.
2. Describe your proposed method for tracking building condition.
3. Based on building condition and tracking method, describe your proposed process for setting priorities for maintenance of the real property assets you will manage. A better answer may include monitoring a series of buildings including historic and non-historic buildings in a cultural landscape¹.

Subfactor 1d: Demonstrate your ability to conduct preventive maintenance of buildings and facilities by providing the following information:

1. Describe your proposed preventive maintenance program as it relates to historic and non-historic buildings.
2. Provide an example of a preventive maintenance plan you would use and how it would be executed for a building exterior or interior. A better answer may include an example of a preventive maintenance plan that involves historic buildings.
3. Describe the expertise of your asset management staff and crews. Include information regarding your recruitment program for asset management staff, and any asset management training programs you conduct, attend, or require.
4. Explain how you archive and maintain knowledge pertaining to the maintenance of buildings and infrastructure.

¹ A cultural landscape is a designed landscape within a natural environment that has historical significance. Characteristics of a cultural landscape may include buildings, vegetation, traffic and visitor flow patterns, open areas, infrastructure associated with the area, and a natural setting.

PRINCIPAL SELECTION FACTOR 2. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES. (0-5 Points)

Service Objectives

The Service's primary objective regarding the visitor services to be provided under the Draft Contract is for the Concessioner to deliver high quality visitor services. Though many factors influence this objective, the Service has chosen to focus on the following areas:

1. High quality, affordable, comfortable overnight accommodations
2. High quality food service that is appropriate to each food operation
3. High quality theme-related merchandise offered in a wide range of types and prices
4. Park interpretive themes incorporated into as many aspects of the operation as possible
5. Effective measures of customer satisfaction

Subfactor 2a: As with most parks, during the Summer the dining facilities experience high demand during lunch and dinner periods leading to long wait times. During the off-season, demand fluctuates. Describe how you would assess these problems and improve visitor service during peak demand and off-season dining periods. Assume you can not change the infrastructure.

Subfactor 2b: The Park has included its "Gift Shop Mission Statement" as an Attachment to Exhibit B of the Draft Contract. The Service policy on merchandise is located in Chapter 10.2.4.5 of the National Park Service Management Policies, included in the Appendix of the Prospectus. Under the Draft Contract, the Concessioner must develop a Merchandise Plan (see Section 3(d)(3) of the Draft Contract and Section 7(C)(2) of the Draft Operating Plan attached as Exhibit B to the Draft Contract). Describe how you will develop a theme-related merchandise program by providing the following information.

1. Provide five photographs or illustrations of unique items you have developed for specific locations as part of a theme-related merchandise program. Describe each item and also describe why you developed that item for that particular location. Do not provide the merchandise itself. A better answer will include examples at a range of prices and in different merchandise categories.
2. Describe the process you will use, including measures for success, for developing and selecting unique merchandise that complements Park themes. Please note in this question we are not asking for examples of merchandise, rather we are seeking a description of the processes you will use to develop and select such merchandise.

Subfactor 2c: The Park would like the concessioner to support the Park's interpretive efforts in ways other than through the sale of interpretive-themed merchandise as described in the Draft Operating Plan Section 7(C)(1).

Please describe your plans for incorporating Park-specific interpretive concepts and NPS information through non-personal items. Please exclude interpretive merchandise discussed in Subfactor 2b. Do not send us actual items. Potential areas for consideration include, but are not limited to, décor, signage, interpretive media such as hangtags or placemats, activities, uniforms, and furnishings and fixtures.

Subfactor 2d: Demonstrate how you will monitor and improve customer satisfaction by providing the following information:

1. Explain what customer feedback systems and practices you would implement to evaluate and monitor on a regular basis customer satisfaction in lodging, food service, and other services required under the Draft Contract.
2. Explain the actions you will undertake to increase customer satisfaction in the lodging, food service, and retail operations required under the Draft Contract. Include information on employee training and monitoring programs.

PRINCIPAL SELECTION FACTOR 3. THE EXPERIENCE AND RELATED BACKGROUND OF THE OFFEROR IN PROVIDING THE SAME OR SIMILAR VISITOR SERVICES AS THOSE TO BE PROVIDED UNDER THE CONCESSION CONTRACT. (0-5 Points)

Note to Offeror: Although it will not be scored as a separate element for selection purposes, to assist in the evaluation of proposals under this and other selection factors, please provide the following information regarding your organizational structure.

Offeror's Organizational Structure. Describe the entity with which the National Park Service will contract. Clearly define the Offeror's relationship to all superior and/or subordinate entities. Identify the entity, if one exists, that has the authority to allocate funds, hire, and fire management employees of the business entity that will hold the contract with the National Park Service. If this entity is a public corporation with a Board of Directors, provide information about the makeup and selection of the Board. Identify a majority shareholder or shareholder with controlling interest, if either exists. If the entity is a limited liability company or a partnership, identify and provide information about each member or partner.

Using the following Business Organization Form, identify the Offeror and each business organization, operator, and any parties involved in the management of the proposed concession operation. Use the form appropriate for your organization (Partnership, Sole Proprietorship, Corporation, or Limited Liability Company) and include all information necessary to make the relationships among parties clear. When completed, the Business Organization and Credit Information form should convey the following information:

1. Identify the Offeror formally.
2. Explain the legal form and formal structure of the Offeror.
3. Identify and describe the owners of the Offeror, including, without limitation, all levels of parent organizations, their relationship to the Offeror, and the precise extent of their ownership interest.
4. Identify all related, subordinate, or superior business organizations and any other organizations, contractors, or subcontractors that will have a significant role in managing, directing, operating, or otherwise carrying out the services to be provided by the Offeror. Describe in detail how these relationships will work formally and in practice.
5. Identify how long the Offeror has existed as a legal entity.
6. Submit your organizational documents (e.g., partnership agreement, articles of incorporation).

**BUSINESS ORGANIZATION
PARTNERSHIP OR SOLE PROPRIETOR
(PRINCIPAL SELECTION FACTOR 3)**

Name of Entity	
Address	
Telephone Number	
Fax Number	
Email Address	
Contact Person	
Title	
Tax ID #	
Form of Business: <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other (please describe) _____	
Years in Business	

OWNERSHIP			
Names And Addresses Of Each Partner Or Sole Proprietor	Percentage of Ownership	Current Value of Business	Role in Providing Concession Services

BUSINESS ORGANIZATION
CORPORATION OR LIMITED LIABILITY COMPANY
(PRINCIPAL SELECTION FACTOR 3)

Complete separate form for the submitting corporation and the parent corporation (include all partners in a joint venture).

Name of Entity	
Address	
Telephone Number	
Fax Number	
Email Address	
Contact Person	
Title	
Tax ID#	
State of Incorporation	
Date of Incorporation	

OWNERSHIP	NUMBER AND TYPE OF SHARES OR PERCENTAGE OF OWNERSHIP	CURRENT VALUE OF INVESTMENT
Names and Addresses of those with controlling interest or key principals		
Total of All		
Total Shares Outstanding		

CORPORATE OFFICERS AND BOARD OF DIRECTOR OR MANAGING MEMBERS	ADDRESS	TITLE AND/OR AFFILIATION

Subfactor 3a: Demonstrate that your organization is structured and staffed to effectively carry out the responsibilities of the Draft Contract by providing the following information:

Clearly outline the organizational structure you intend to use to manage and execute the services contemplated under the Draft Contract during peak and off peak seasons. To the extent that support services such as purchasing or human resources will be provided by a corporate parent, clearly identify how this support will benefit the operation. Provide the principle lines of authority between departments and managers.

Describe the qualifications of the person you would employ for each of the following positions. Include relevant experience, minimum qualifications, certifications (if applicable), and education in a consistent format.

- Corporate officer(s)/executives with responsibility for directly supervising the general manager or any other member of the management team for this contract.
- General Management Team
- Departmental and/or area managers including, but not limited to, lodging, food and beverage, and retail sales
- Safety and environmental manager(s)

In addition provide workforce estimates in Full Time Equivalents (FTE) for each operating department (i.e., lodging, food and beverage, retail) and support functions (for example, maintenance and administration) during both peak and off-peak seasons.

Subfactor 3b: The operating season at Zion National Park is a significant factor that can affect all aspects of concessioner and Service operations. Specifically, the Service is particularly interested in your experience with operations in remote areas that have peak and off-peak operating seasons and have a scope of services similar to those offered under the Draft Contract. Demonstrate your experience in operating in areas with varying seasonal demands by providing three examples of your experience that include the following:

1. Name and location of operation
2. Scope of services offered
3. Operating season, including opening and closing dates or descriptions of peak and off-peak seasons
4. Size of facilities
 - a. Number of structures and total square footage
 - b. Gross revenues for the most recent three years of operation in which the Offeror was involved with the business
 - c. Service volume (for example, annual room nights, number of guests, cover counts, etc.)
5. Nature of the Offeror's involvement
6. Tenure of the Offeror's involvement

7. Current status of business (for example, owned and operated by Offeror, sold, open but no longer operated by Offeror, closed, etc.)
8. Number of full-time employees
9. Number of part-time employees
10. Number of seasonal employees, segregated by peak and off-peak seasons (please indicate season dates).
11. Number of miles to closest commercial center(s)

Subfactor 3c: A high quality, skilled and motivated employee staff is a critical component of meeting visitor needs at Zion National Park. Specifically, the operation faces the following challenges:

- A fairly remote location
- An operation with a peak and off-peak season and with very few year-round employment opportunities

1. Describe your process for maintaining high quality, skilled and motivated employee staff by addressing the following:
 - Explain how you will recruit staff considering the peak and off-peak nature of the operations.
 - Explain how you will overcome any language or cultural barriers in communicating with your employees and in employees interacting with visitors.
 - Provide a description of how you will retain excellent management and staff, and how you will encourage peak-season employees to stay for the entire peak season and to return in future years.
2. Substantiate your experience by providing two examples of different staffing challenges you have successfully met at two different locations. A better answer may include at least one example that describes an operation with peak and off-peak seasons in an isolated location and each example should demonstrate how you analyzed the situation and tailored specific solutions to meet the identified challenge.

Submit your examples as a case study and include the following:

- *A description of the problems and challenges you faced*
- *A description of the actions you took*
- *A description of the processes and systems that supported the work.*
- *A narrative assessment of what made the work successful*
- *A narrative assessment of what part of the action you took needed improvement*
- *The methods used for measuring success*

Subfactor 3d: The Concession Facilities described under the Draft Contract do not include a staging area inside the Park from which to conduct fleet maintenance, warehouse operations, etc. Storage and maintenance facilities within the Park are extremely limited. In light of these circumstances, describe:

- How you will stage for this operation
- Where you will locate support operations such as warehouse, fleet maintenance, reservation center, administration, etc.

A better answer may identify specific properties, or candidate properties you would use and describe how they will meet the logistical needs of this operation.

Subfactor 3e: The Service is aware any large business will receive the occasional audit deficiency, notice of violation, penalty, fine, marginal public health inspection or similar regulatory notices. We are interested in understanding how your business manages these infractions.

For the Offeror, parent company or any of its principals and any subsidiaries or related entities under the primary organizational entity (e.g., a parent corporation and all subsidiaries), whether as a principal or employee of Offeror or otherwise, identify any infraction issued by a federal or state regulatory agency in the last five years. For each infraction, provide the following:

- 1) What was the basis for the infraction?
- 2) Who issued the infraction?
- 3) When was the infraction issued?
- 4) How did you address the infraction?
- 5) How will you ensure that the problem does not recur?

If you report no such infraction, please explain the scope of entities and infractions you considered in providing your response.

PRINCIPAL SELECTION FACTOR 4. THE FINANCIAL CAPABILITY OF THE OFFEROR TO CARRY OUT ITS PROPOSAL (Scoring: 0 – 5 Points)*General Notes:*

- *In the event the Offeror is not the legal entity that is to be the Concessioner, provide the information described below with respect to both the Offeror, including all partners in a joint venture, and the proposed Concessioner. If the entity that is to be the Concessioner is not formally in existence as of the time of submission of a proposal, a proposal must demonstrate that the individuals or organizations that intend to establish the entity that will become the Concessioner have the ability and are legally obliged to cause the entity to be financially and managerially capable of carrying out the terms of the Contract. In addition, the Offeror must unconditionally state and guarantee in its proposal that the Offeror will provide the Concessioner with all funding, management and/or other resources that the proposal offers.*

Subfactor 4a: Demonstrate that you have a credible, proven track record of meeting your financial obligations by providing the following:

1. A completed Business History Information form provided at the end of this section.
2. Provide financial statements for the two most recent fiscal years, with all notes to the financial statements. Provide the financial statements for the Offeror **and** all parent companies. Provide personal financial statements for an owner of a sole proprietorship, general partners in a partnership, and members of a limited liability company.
 - a. Provide audited financial statements, with all notes to the financial statements.

OR

- b. If audited financial statements are not available or not representative of the financial history, present an explanation in sufficient detail to enable a reviewer to fully understand the reasons why audited statements are not available. In addition, provide compelling evidence, accompanied by a description, of your financial track record (for example, reviewed statements, including explanations of the reason the statements were not audited and notes to the financial statements).
3. A CURRENT credit report (within the last six months) from a major credit reporting company such as Equifax, Experian, or Dunn & Bradstreet.

Subfactor 4b: Demonstrate that you understand the financial obligations and potential of the Draft Contract by providing the following:

1. Provide your estimate of the acquisition and start-up costs of this business using the Initial Investment and Start-Up Cost form (a sample of this form is located at the end of this section) included in the Excel spreadsheets provided in the Appendix to this Prospectus. Explain fully the methodology and the assumptions used to develop the estimate. The information provided should be of sufficient detail to allow a reviewer to fully understand how the estimates were determined.
2. Using the Excel spreadsheets provided in the Appendix to this Prospectus (samples of these forms are located at the end of this section), provide estimates of prospective revenues and expenses of the concession business in the form of annual prospective income and cash flow statements for the entire term of the Concession Contract.

Additional general notes regarding the provided forms in the attached appendix:

- The Service has provided forms that request the information in the format it desires. These forms may differ from the format and requirements set forth in generally accepted auditing standards (GAAS) with regard to prospective financial statements. The Service does NOT request that the prospective financial statements be reviewed in accordance with GAAS. In situations where the information requested departs from GAAS, the Service requests that the information be provided in the format requested and NOT in conformance with GAAS.
- You may expand on the information requested on the form, but do not provide less, do not reduce the captions (line-items) called for, and do not change the order of items.
- Do not add or eliminate rows on the Excel spreadsheets provided in the Appendix to this Prospectus. Columns should not be deleted; however, columns may be added to adjust the number of years to the Draft Contract term, if necessary. If you wish to provide additional information, do so in additional spreadsheets, outside of the ones provided. If additional information is provided, clearly identify how it fits into the income statement, cash flow, and/or assumption tables. For the purpose of the proforma statements utilize the calendar year as the fiscal year.
- Provide a clear and concise narrative explanation of the method(s) used to prepare the estimates and the assumptions on which your projections are based. Information must be sufficiently detailed to fully understand how the estimates were determined.
- Complete all of the forms provided and submit both a hard copy and an Excel spreadsheet file. Failure to provide all of the information requested on these forms may result in a reduced score. Use the electronic version of the Operating Assumptions and Prospective Income Statement form provided in the appendix. The financial basis of any projections that show significantly increased revenues and/or decreased expenses from the projections provided in the Prospectus should be fully explained.

Subfactor 4c: Demonstrate your ability to obtain the required funds by providing credible, compelling documentation. Fully explain the financial arrangements you propose, using the following guidelines:

1. If funds are to be obtained from operating cash flows, document each source and availability of these funds by referencing your previous and current audited financial statements.

2. If funds are to be obtained from lending institutions (banks, savings and loans, etc.), provide financing agreements, letters of commitment or similar supporting documents. Also, include a letter (addressed to the National Park Service from the Lender), which provides compelling documentation as to the likely amount of funds available to the offeror at the start of the Draft Contract. Include the lending institution contact name on the letter and authorize the lending institution to release any information to the National Park Service concerning relevant financing arrangements.
3. If funds are to be obtained from an individual, or a corporation whose primary fund source is an individual, provide the following as appropriate:
 - a. Current personal financial statement for the primary source of funds.
 - b. Documentation of any assets to be sold.
 - c. Written funding commitment from the individual or corporation.
 - d. Any other assurances or documentation that makes a compelling demonstration that the funds are available.
4. If funds are to be obtained from working capital liabilities (such as advanced deposits or accounts payable), please provide estimates and a rationale for each estimate. The information provided should be of sufficient detail to allow a reviewer to fully understand how the estimates were determined.
5. If funds are to be obtained from another source (for example, a corporation whose primary fund source is not an individual), provide the following as appropriate:
 - e. Written funding commitment from the fund source.
 - f. Any other documentation that is necessary to create a compelling demonstration that the funds required to operate this business opportunity are available.

INITIAL INVESTMENTS AND START-UP EXPENSES FORM

Grey Cells Are Input Cells

Company Name

CONCID ZION003-08

Assets

Existing Assets

Assets necessary to the operation of the Concession, already owned by the Offeror, that will be allocated to the operation of the Draft Contract.

Real Property (not within the Park)
Personal Property
Inventory and Supplies
Other (describe)

\$
\$
\$
\$

Subtotal \$ 0

Planned Asset Acquisition

Assets necessary to Operate the Concession, that will be acquired by the Offeror if awarded the Draft Contract.

Real Property (not within the Park)
Personal Property
Inventory and Supplies
Other (describe)

\$
\$
\$
\$

Subtotal \$ 0

Total \$ 0

Other

Start-Up Expenses
Working Capital
Other (describe)

\$
\$
\$

Total \$ 0

Total Initial Investments and Start-up Expenses \$ 0

Notes

- 1) Formulas included in this form are provided by the NPS as guidance only. The Offeror is responsible for its financial projections and their accuracy.
- 2) Yellow cells represent categories that need to be explained on the "Investments Assumptions" worksheet.
- 3) All Offerors must include their estimate of the value of all property intended, whether planned for acquisition or currently owned, for use in the Draft Contract.
- 4) The items indicated above are the estimated planned expenditures for initial investment, defined as one-time costs in either the year prior to or the first year after the start of the Draft Contract.
- 5) Expenditures entered in this form should be in addition to that of typical annual capital investments and operating expenses of the first year of the Draft Contract.
- 6) Expenditures entered into this form should not be included in the proforma income statement.
- 7) Expenditures entered in this form should be included in the cash flow proforma as capital expenditures in either the year prior to or the first year after the start of the Draft Contract.

Definitions

Start-up Expenses

One-time expenses incurred prior to the beginning of the contract, or during the first year of the contract, if needed, to implement your proposal.

Working Capital

Additional funds for working capital current assets such as pre-paid expenses, contingencies, and other necessary cash flow requirements. This should not be confused with Net Working Capital (current assets-current liabilities). Working capital current liabilities (such as advanced deposits, and accounts payable, should be included as funding sources in Subfactor 4c)

INITIAL INVESTMENTS AND START-UP EXPENSES ASSUMPTIONS

Grey Cells Are Input Cells

Company Name

CONCID

ZION003-08

Assets

Existing Assets

Assets necessary to the operation of the Concession, already owned by the Offeror, that will be allocated to the operation of the Draft Contract.

Real Property (not within the Park)

Describe

Personal Property

Describe

Inventory and Supplies

Describe

Other (describe)

Describe

Planned Asset Acquisition

Assets necessary to Operate the Concession, that will be acquired by the Offeror if awarded the Draft Contract.

Real Property (not within the Park)

Describe

Personal Property

Describe

Inventory and Supplies

Describe

Other (describe)

Describe

Other

Start-Up Expenses

Describe

Working Capital

Describe

Other (describe)

Describe

Notes

In the description sections of this form, please provide an explanation of sufficient detail to allow a reviewer to fully understand how the estimates were determined.

INCOME STATEMENT FORM

Grey Cells Are Input Cells

Company Name

CONCID ZION003-08

Prospective Income Statement

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Revenue										
Lodging										
Food and Beverage										
Retail										
Transportation										
Other										
Total Gross Revenue										
Total Gross Receipts (if Different)										
Cost of Sales										
Lodging										
Food and Beverage										
Retail										
Transportation										
Other										
Total Cost of Sales										
Gross Profit										
Direct Expenses										
Direct Salaries & Benefits										
Utilities										
Repair and Maintenance Expense										
Operating Supplies										
Commissions										
Vehicle Expense										
Equipment Rental										
Contract Services										
Other Direct										
Total Direct Expenses										
Undistributed Expenses										
Other Salaries										
Office Supplies										
Telephone										
Management / Overhead										
Audit Expense										
Advertising										
Repair and Maintenance Reserve										
Other Admin										
Other Undistributed										
Total Undistributed Expenses										
Fixed Expenses										
Insurance										
Other										
Total Fixed Expenses										
Total Operating Expenses										
EBITDA FF										
Franchise Fee										
EBITDA										
Interest Expense										
Depreciation										
Amortization										
Net Profit Before Taxes										
Income Tax										
Net Income										

Notes

- 1) Formulas included in this form are provided by the NPS as guidance only. The Offeror is responsible for its financial projections and their accuracy.
- 2) Yellow cells represent categories that need to be explained on the "Income Statement Assumptions" worksheet.
- 3) Only projected receipts and expenses related to the services "required" by the contract and those you choose to operate under "authorized" services are to be itemized and included in your prospective statements. Please clearly identify, by service type, all revenues associated with authorized services.
- 4) Fully explain and document your Gross Revenue build-up. State annual inflation rate assumptions, rate increase assumptions, utilization assumptions and any estimates of real growth you anticipate.
- 5) All Direct Expenses should be supported with a clear rationale. Labor costs should be supported by a footnote identifying Full Time Equivalents (FTE) occupied for each operating department identified.
- 6) Clearly describe the composition of each item classified under Undistributed and Fixed Expenses. If the expense item is allocated from or shared with a parent or related entity, please describe the allocation method. In particular, if you intend to assess a Management Fee, or other form of corporate overhead and profit, you must clearly describe what this fee is comprised of (Officer salaries, human resources, accounting, marketing, profit,

Definitions**Gross Receipts**

Gross Revenues less any revenues that are exempt from franchise fee.

EBITDA FF

Earnings Before Interest, Taxes, Depreciation, Amortization, and Franchise Fee.

Franchise Fees

A percentage of gross receipts due to the National Park Service.

INCOME STATEMENT ASSUMPTIONS

Grey Cells Are Input Cells

Company Name

CONCID ZION003-08

Revenue	
Lodging	Describe
Food and Beverage	Describe
Retail	Describe
Transportation	Describe
Other	Describe

Cost of Sales	
Lodging	Describe
Food and Beverage	Describe
Merchandise	Describe
Service Station	Describe
Other	Describe

Direct Expenses	
Direct Salaries & Benefits	Describe
Utilities	Describe
Repair and Maintenance Expense	Describe
Operating Supplies	Describe
Commissions	Describe
Vehicle Expense	Describe
Equipment Rental	Describe
Contract Services	Describe
Other Direct	Describe

Undistributed Expenses	
Other Salaries	Describe
Office Supplies	Describe
Telephone	Describe
Management / Overhead	Describe
Audit Expense	Describe
Advertising	Describe
Repair and Maintenance Reserve	Describe
Other Admin	Describe
Other Undistributed	Describe
Other	Describe

Fixed Expenses

Insurance

Describe

Other

Describe

Notes

1) In the description sections of this form, please provide an explanation of sufficient detail to allow a reviewer to fully understand how the estimates were determined.

2) Please also note that revenue projections must be based on rates determined by the approval methods set forth in the draft Operating Plan.

Examples**Revenue Assumption Description Example:**

*****The following example does not reflect the above opportunity and is provided for the purpose of clarification only.*****

"Revenue inflation is expected increase at the same rate as the Consumer Price Index which is predicted to grow at a rate of 2.7% annually, based upon historical growth as reported by the Bureau of Labor Statistics. No real growth is expected to occur, keeping in line with historical revenues at the Concession. Therefore, overall revenue growth is forecast to occur at an average annual rate of 2.7% over the life of the Draft Contract."

Expense Assumption Description Example:

*****The following example does not reflect the above opportunity and is provided for the purpose of clarification only.*****

"Direct expenses are expected to surpass historical direct expenses, as fuel and insurance prices increase. Studies by the Department of Commerce indicate that fuel prices will to rise at a rate of 10% annually over the next ten years, as opposed to the historical ten year rate of 4% annually. Additionally, insurance costs, according to a nationwide insurance broker survey, are expected to rise at 15% annually for the next 10 years, as opposed to the 10 year historical rate of 2% annually. Accordingly, direct expenses associated with the operation are forecast to increase from an annual average of 10% of Gross Revenue to an annual average of 20% of Gross Revenues over the life of the Draft Contract."

CASH FLOW STATEMENT FORM

Grey Cells Are Input Cells

Company Name

CONCID ZION003-08

Prospective Cash Flow Statement

Operating Activities	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Income										
Depreciation										
Amortization										
Change in working capital										
Other (describe)										
Net Cash Provided by Operating Activities		-	-	-	-	-	-	-	-	-
Financing Activities										
Dividend										
Notes Payable										
Other (describe)										
Net Cash Used in Financing Activities		-	-	-	-	-	-	-	-	-
Investment Activities										
Personal Property										
Real Property										
Other (describe)										
Net cash used in investing activities		-	-	-	-	-	-	-	-	-
Total Cash Flow		-	-	-	-	-	-	-	-	-

Notes

- 1) Formulas included in this form are provided by the NPS as guidance only. The Offeror is responsible for its financial projections and their accuracy.
- 2) Yellow cells represent categories that need to be explained on the "Cash Flow Statement Assumptions" worksheet.
- 3) Investment activities should include entries for one time acquisition and disposal at the beginning and end of the Draft Contract term as well as cyclical or annual capital investments such as replacement.
- 4) Estimates for capital expenditures in the Cash Flow Statements made prior to or during the first year after the start of the Draft Contract should be reflective of estimates provide in the Initial Investment and Start-up Costs form.
- 5) Clearly delineate between personal and real property and define your rationale and assumptions for each category.

CASH FLOW STATEMENT ASSUMPTIONS

Grey Cells Are Input Cells

Company Name

CONCID ZION003-08

Prospective Cash Flow Statement

Investment Activities

Personal Property	Describe
Real Property	Describe
Other (describe)	Describe

Notes

In the description sections of this form, please provide an explanation of sufficient detail to allow a reviewer to fully understand how the estimates were determined.

PRINCIPAL SELECTION FACTOR 5. FRANCHISE FEE AND OTHER FORMS OF FINANCIAL CONSIDERATION TO THE DIRECTOR (0-4 Points)

The minimum franchise fee acceptable to the Service is twelve percent (12.0%) of gross receipts. The offer of a higher franchise fee than this minimum is generally beneficial to the Service and accordingly will generally result in a higher score under this selection factor. However, consideration of revenue to the United States will be subordinate to the objectives of protecting, conserving, and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates.

Subfactor 5a: State the franchise fee that you propose. Such fee must at least equal the minimum franchise fee set forth above. Express this fee as a percentage of annual gross receipts. Do not propose a tiered franchise fee, for example, x% on the first \$10,000 of gross receipts, y% on gross receipts between \$10,001 and \$25,000, z% on gross receipts between \$25,001 and above, or a franchise fee that changes based on the year of the contract.

_____ percent of annual gross receipts

SECONDARY SELECTION FACTOR

SECONDARY SELECTION FACTOR 1. THE QUALITY OF THE OFFEROR'S PROPOSAL TO CONDUCT ITS OPERATIONS IN A MANNER THAT FURTHERS THE PROTECTION, CONSERVATION AND PRESERVATION OF THE PARK AREA AND OTHER RESOURCES THROUGH ENVIRONMENTAL MANAGEMENT PROGRAMS AND ACTIVITIES, INCLUDING, WITHOUT LIMITATION, ENERGY CONSERVATION, WASTE REDUCTION, AND RECYCLING. (0-3 points)

Subfactor 1a: The Service seeks environmentally friendly practices, notably in the areas of sustainability and energy conservation; alternative fuel vehicles, night sky preservation, natural sound preservation, solid waste reduction, and other similar proactive actions. The Draft Maintenance Plan outlines some general requirements such as a recycling program, water and energy conservation, alternative fuel vehicles, etc. The Service is interested specifically in how you would address these requirements, going beyond what is required, and how you will commit to implementing your innovative ideas in the operation described in the Draft Contract.

Provide a brief overview of your complete environmental program and then describe in more detail three examples of innovative programs and associated activities (not already requested under other selection factors) that you would implement to achieve the Service's objectives. Your response should be concise and to the point.

Subfactor 1b: Please outline your proposed environmental educational program for visitors.

CATEGORY II DRAFT CONTRACT
UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

ZION NATIONAL PARK

CONCESSION CONTRACT NO. CC-ZION003-09

[Name of Concessioner]

[Address, including email address and phone number]

Doing Business As

Covering the Period

1/1/2009 through 12/31/2018¹

¹ The effective date of the contract is subject to change prior to contract award if determined necessary to the Service due to transfer timing issues. The expiration date of the Draft Contract will be changed to continue the same term length from any changed effective date. This footnote is to be deleted prior to contract execution

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[CORPORATION]

THIS Contract is made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, (hereinafter referred to as the "Director"), and _____, a corporation organized and existing under the laws of the State of _____ (hereinafter referred to as the "Concessioner"):

[LIMITED LIABILITY COMPANY]

THIS CONTRACT is made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, (hereinafter referred to as the "Director"), and _____, a limited liability company organized and existing under the laws of the State of _____ (hereinafter referred to as the "Concessioner"):

[PARTNERSHIP]

THIS Contract is made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, hereinafter referred to as the "Director", and _____ a partnership organized under the laws of the State of _____, hereinafter referred to as the "Concessioner":

[SOLE PROPRIETORSHIP]

THIS Contract made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, hereinafter referred to as the "Director," and, _____, an individual of, doing business as _____, hereinafter referred to as the "Concessioner":

W I T N E S S E T H:

THAT WHEREAS, Zion National Park is administered by the Director as a unit of the national park system to conserve the scenery and the natural and historic objects and the wildlife therein, and to provide for the public enjoyment of the same in such manner as will leave such Area unimpaired for the enjoyment of future generations; and

WHEREAS, to accomplish these purposes, the Director has determined that certain visitor services are necessary and appropriate for the public use and enjoyment of the Area and should be provided for the public visiting the Area; and

WHEREAS, the Director desires the Concessioner to establish and operate these visitor services at reasonable rates under the supervision and regulation of the Director; and

WHEREAS, the Director desires the Concessioner to conduct these visitor services in a manner that demonstrates sound environmental management, stewardship, and leadership;

NOW, THEREFORE, pursuant to the authority contained in the Acts of August 25, 1916 (16 U.S.C. 1, 2-4), and November 13, 1998 (Pub. L. 105-391), and other laws that supplement and amend the Acts, the Director and the Concessioner agree as follows:

SEC. 1. TERM OF CONTRACT

This Concession Contract No. CC-ZION003-09 ("Contract") shall be effective as of January 1, 2009 and shall be for the term of ten years until its expiration on December 31, 2018.

SEC. 2. DEFINITIONS

The following terms used in this Contract will have the following meanings, which apply to both the singular and the plural forms of the defined terms:

- (a) "Applicable Laws" means the laws of Congress governing the Area, including, but not limited to, the rules, regulations, requirements and policies promulgated under those laws (e.g., 36 CFR Part 51), whether now in force, or amended, enacted or promulgated in the future, including, without limitation, federal, state and local laws, rules, regulations, requirements and policies governing nondiscrimination, protection of the environment and protection of public health and safety.
- (b) "Area" means the property within the boundaries of Zion National Park.
- (c) "Best Management Practices" or "BMPs" are policies and practices that apply the most current and advanced means and technologies available to the Concessioner to undertake and maintain a superior level of environmental performance reasonable in light of the circumstances of the operations conducted under this Contract. BMPs are expected to change from time to time as technology evolves with a goal of sustainability of the Concessioner's operations. Sustainability of operations refers to operations that have a restorative or net positive impact on the environment.
- (d) "Concession Facilities" shall mean all Area lands assigned to the Concessioner under this Contract and all real property improvements, assigned to the Concessioner under this Contract. The United States retains title and ownership to all Concession Facilities.
- (e) "Days" shall mean calendar days.
- (f) "Director" means the Director of the National Park Service, acting on behalf of the Secretary of the Interior and the United States, and his duly authorized representatives.
- (g) "Exhibit" or "Exhibits" shall mean the various exhibits, which are attached to this Contract, each of which is hereby made a part of this Contract.
- (h) "Gross Receipts" means the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this Contract, including Gross Receipts of subconcessioners as herein defined, commissions earned on contracts or agreements with other persons or companies operating in the Area, and Gross Receipts earned from electronic media sales, but excluding:
 - (1) intracompany earnings on account of charges to other departments of the operation (such as laundry);
 - (2) charges for employees' meals, lodgings, and transportation;
 - (3) cash discounts on purchases;
 - (4) cash discounts on sales;

- (5) returned sales and allowances;
- (6) interest on money loaned or in bank accounts;
- (7) income from investments;
- (8) income from subsidiary companies outside of the Area;
- (9) sale of property other than that purchased in the regular course of business for the purpose of resale;
- (10) sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded shall not exceed the amount actually due or paid government agencies;
- (11) receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian, Alaskan Native, Native Samoan, or Native Hawaiian handicrafts.

All monies paid into coin operated devices, except telephones, whether provided by the Concessioner or by others, shall be included in Gross Receipts. However, only revenues actually received by the Concessioner from coin-operated telephones shall be included in Gross Receipts. All revenues received from charges for in-room telephone or computer access shall be included in Gross Receipts.

(i) "Gross Receipts of subconcessioners" means the total amount received or realized by, or accruing to, subconcessioners from all sources, as a result of the exercise of the rights conferred by a subconcession contract. A subconcessioner will report all of its Gross Receipts to the Concessioner without allowances, exclusions, or deductions of any kind or nature.

(j) "Subconcessioner" means a third party that, with the approval of the Director, has been granted by a concessioner rights to operate under a concession contract (or any portion thereof), whether in consideration of a percentage of revenues or otherwise.

(k) "Superintendent" means the manager of the Area.

(l) "Visitor services" means the accommodations, facilities and services that the Concessioner is required and/or authorized to provide by Section 3(a) of this Contract.

SEC. 3. SERVICES AND OPERATIONS

(a) Required and Authorized Visitor Services

During the term of this Contract, the Director requires and authorizes the Concessioner to provide the following visitor services for the public within the Area:

- (1) Required Visitor Services. The Concessioner is required to provide the following visitor services during the term of this Contract

Required Services for the Contract	
Lodging/Overnight Accommodations	Zion Lodge
Food and Beverage	Food and beverage outlets offering a variety of service styles (full service at Zion Lodge, quick service and snacks at the Snack Bar).
Retail	Retail facilities at the Zion Lodge.
Pay Telephones	Pay Telephones

(2) Authorized Visitor Services. The Concessioner is authorized but not required to provide the following visitor services during the term of this Contract:

Authorized Services for the Contract	
Step-on Guide Service	Interpretation service for tour bus groups
Transportation	Service from Zion Lodge to trailheads outside Zion Canyon; open air tram tours of Zion Canyon
Vending and Other Services	Limited vending throughout the Zion Lodge area complex, including beverages

(b) Operation and Quality of Operation

- (1) The Concessioner shall provide, operate and maintain the required and authorized visitor services and any related support facilities and services in accordance with this Contract to such an extent and in a manner considered satisfactory by the Director. Except for any such items that may be provided to the Concessioner by the Director, the Concessioner shall provide the plant, personnel, equipment, goods, and commodities necessary for providing, operating and maintaining the required and authorized visitor services in accordance with this Contract. The Concessioner's authority to provide visitor services under the terms of this Contract is non-exclusive.
- (2) The Concessioner will provide housing, on-site food service, and recreation programs for its employees. The Concessioner's charges to its employees for these services must be reasonable.

(c) Operating Plan

The Director, acting through the Superintendent, shall establish and revise, as necessary, specific requirements for the operations of the Concessioner under this Contract in the form of an Operating Plan (including, without limitation, a risk management program, that must be adhered to by the Concessioner). The initial Operating Plan is attached to this Contract as Exhibit B. The Director in his discretion, after consultation with the Concessioner, may make reasonable modifications to the Operating Plan that are in furtherance of the purposes of this Contract and are not inconsistent with the terms and conditions of the main body of this Contract.

(d) Merchandise and Services

(1) The Director reserves the right to determine and control the nature, type and quality of the visitor services described in this Contract, including, but not limited to, the nature, type, and quality of merchandise, if any, to be sold or provided by the Concessioner within the Area.

(2) All promotional material, regardless of media format (i.e., printed, electronic, broadcast media), provided to the public by the Concessioner in connection with the services provided under this Contract must be approved in writing by the Director prior to use. All such material will identify the Concessioner as an authorized Concessioner of the National Park Service, Department of the Interior.

(3) The Concessioner, where applicable, will develop and implement a plan satisfactory to the Director that will assure that gift merchandise, if any, to be sold or provided reflects the purpose and significance of the Area, including, but not limited to, merchandise that reflects the conservation of the Area's resources or the Area's geology, wildlife, plant life, archeology, local Native American culture, local ethnic culture, and historic significance.

(e) Rates

All rates and charges to the public by the Concessioner for visitor services shall be reasonable and appropriate for the type and quality of facilities and/or services required and/or authorized under this Contract. The Concessioner's rates and charges to the public must be approved by the Director in accordance with Applicable Laws and guidelines promulgated by the Director from time to time.

(f) Impartiality as to Rates and Services

(1) Subject to Section (f)(2) and (f)(3), in providing visitor services, the Concessioner must require its employees to observe a strict impartiality as to rates and services in all circumstances. The Concessioner shall comply with all Applicable Laws relating to nondiscrimination in providing visitor services to the public including, without limitation, those set forth in Exhibit A.

(2) The Concessioner may grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted under this Contract. However, the Director reserves the right to review and modify the Concessioner's complimentary or reduced rate policies and practices as part of its rate approval process.

(3) The Concessioner will provide Federal employees conducting official business reduced rates for lodging essential transportation and other specified services necessary for conducting official business in accordance with guidelines established by the Director. Complimentary or reduced rates and charges shall otherwise not be provided to Federal employees by the Concessioner except to the extent that they are equally available to the general public.

SEC. 4. CONCESSIONER PERSONNEL

- (a) The Concessioner shall provide all personnel necessary to provide the visitor services required and authorized by this Contract.
- (b) The Concessioner shall comply with all Applicable Laws relating to employment and employment conditions, including, without limitation, those set forth in Exhibit A.
- (c) The Concessioner shall ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public. The Concessioner shall have its employees who come in direct contact with the public, so far as practicable, wear a uniform or badge by which they may be identified as the employees of the Concessioner.
- (d) The Concessioner shall establish pre-employment screening, hiring, training, employment, termination and other policies and procedures for the purpose of providing visitor services through its employees in an efficient and effective manner and for the purpose of maintaining a healthful, law abiding, and safe working environment for its employees. The Concessioner shall conduct appropriate background reviews of applicants to whom an offer for employment may be extended to assure that they conform to the hiring policies established by the Concessioner.
- (e) The Concessioner shall ensure that its employees are provided the training needed to provide quality visitor services and to maintain up-to-date job skills.
- (f) The Concessioner shall review the conduct of any of its employees whose action or activities are considered by the Concessioner or the Director to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors and shall take such actions as are necessary to correct the situation.
- (g) The Concessioner shall maintain, to the greatest extent possible, a drug free environment, both in the workplace and in any Concessioner employee housing, within the Area.
- (h) The Concessioner shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and in the Area, and specifying the actions that will be taken against employees for violating this prohibition. In addition, the Concessioner shall establish a drug-free awareness program to inform employees about the danger of drug abuse in the workplace and the Area, the availability of drug counseling, rehabilitation and employee assistance programs, and the Concessioner's policy of maintaining a drug-free environment both in the workplace and in the Area.
- (i) The Concessioner shall take appropriate personnel action, up to and including termination or requiring satisfactory participation in a drug abuse or rehabilitation program which is approved by a Federal, State, or local health, law enforcement or other appropriate agency, for any employee that is found to be in violation of the prohibition on the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

SEC. 5. LEGAL, REGULATORY, AND POLICY COMPLIANCE**(a) Legal, Regulatory and Policy Compliance**

This Contract, operations thereunder by the Concessioner and the administration of it by the Director, shall be subject to all Applicable Laws. The Concessioner must comply with all Applicable Laws in fulfilling its obligations under this Contract at the Concessioner's sole cost and expense. Certain Applicable Laws governing protection of the environment are further described in this Contract. Certain Applicable Laws relating to nondiscrimination in employment and providing accessible facilities and services to the public are further described in this Contract.

(b) Notice

The Concessioner shall give the Director immediate written notice of any violation of Applicable Laws by the Concessioner, including its employees, agents or contractors, and, at its sole cost and expense, must promptly rectify any such violation.

(c) How and Where to Send Notice

All notices required by this Contract shall be in writing and shall be served on the parties at the following addresses. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service. Notices sent to the Director shall be sent to the following address:

Superintendent
Zion National Park
State Route 9
Springdale, UT 84767-1099

Notices sent to the Concessioner shall be sent to the following address:

Concessioner
Address
Attention:

SEC. 6. ENVIRONMENTAL AND CULTURAL PROTECTION**(a) Environmental Management Objectives**

The Concessioner shall meet the following environmental management objectives (hereinafter "Environmental Management Objectives") in the conduct of its operations under this Contract:

- (1) The Concessioner, including its employees, agents and contractors, shall comply with all Applicable Laws pertaining to the protection of human health and the environment.
- (2) The Concessioner shall incorporate Best Management Practices (BMPs) in its operation, construction, maintenance, acquisition, provision of visitor services, and other activities under this Contract.

(b) Environmental Management Program

(1) The Concessioner shall develop, document, implement, and comply fully with, to the satisfaction of the Director, a comprehensive written Environmental Management Program (EMP) to achieve the Environmental Management Objectives. The initial EMP shall be developed and submitted to the Director for approval within sixty days of the effective date of this Contract. The Concessioner shall submit to the Director for approval a proposed updated EMP annually.

(2) The EMP shall account for all activities with potential environmental impacts conducted by the Concessioner or to which the Concessioner contributes. The scope and complexity of the EMP may vary based on the type, size and number of Concessioner activities under this Contract.

(3) The EMP shall include, without limitation, the following elements:

(i) Policy. The EMP shall provide a clear statement of the Concessioner's commitment to the Environmental Management Objectives.

(ii) Goals and Targets. The EMP shall identify environmental goals established by the Concessioner consistent with all Environmental Management Objectives. The EMP shall also identify specific targets (i.e. measurable results and schedules) to achieve these goals.

(iii) Responsibilities and Accountability. The EMP shall identify environmental responsibilities for Concessioner employees and contractors. The EMP shall include the designation of an environmental program manager. The EMP shall include procedures for the Concessioner to implement the evaluation of employee and contractor performance against these environmental responsibilities.

(iv) Documentation. The EMP shall identify plans, procedures, manuals, and other documentation maintained by the Concessioner to meet the Environmental Management Objectives.

(v) Documentation Control and Information Management System. The EMP shall describe (and implement) document control and information management systems to maintain knowledge of Applicable Laws and BMPs. In addition, the EMP shall identify how the Concessioner will manage environmental information, including without limitation, plans, permits, certifications, reports, and correspondence.

(vi) Reporting. The EMP shall describe (and implement) a system for reporting environmental information on a routine and emergency basis, including providing reports to the Director under this Contract.

(vii) Communication. The EMP shall describe how the environmental policy, goals, targets, responsibilities and procedures will be communicated throughout the Concessioner's organization.

(viii) Training. The EMP shall describe the environmental training program for the Concessioner, including identification of staff to be trained, training subjects, frequency of training and how training will be documented.

(ix) Monitoring, Measurement, and Corrective Action. The EMP shall describe how the Concessioner will comply with the EMP and how the Concessioner will self-assess its performance under the EMP, at least annually, in a manner consistent with NPS protocol regarding audit of NPS operations. The self-assessment should ensure the Concessioner's conformance with the Environmental Management Objectives and measure performance against environmental goals and targets. The EMP shall also describe procedures to be taken by the Concessioner to correct any deficiencies identified by the self-assessment.

(c) Environmental Performance Measurement

The Concessioner shall be evaluated by the Director on its environmental performance under this Contract, including, without limitation, compliance with the approved EMP, on at least an annual basis.

(d) Environmental Data, Reports, Notifications, and Approvals

(1) Inventory of Hazardous Substances and Inventory of Waste Streams. The Concessioner shall submit to the Director, at least annually, an inventory of federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the Area by the Concessioner. The Director may prohibit the use of any OSHA hazardous chemical by the Concessioner in operations under this Contract. The Concessioner shall obtain the Director's approval prior to using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this Contract. The Concessioner shall also submit to the Director, at least annually, an inventory of all waste streams generated by the Concessioner under this Contract. Such inventory shall include any documents, reports, monitoring data, manifests, and other documentation required by Applicable Laws regarding waste streams.

(2) Reports. The Concessioner shall submit to the Director copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to regulatory agencies. The Concessioner shall also submit to the Director any environmental plans for which coordination with Area operations are necessary and appropriate, as determined by the Director in accordance with Applicable Laws.

(3) Notification of Releases. The Concessioner shall give the Director immediate written notice of any discharge, release or threatened release (as these terms are defined by Applicable Laws) within or at the vicinity of the Area, (whether solid, semi-solid, liquid or gaseous in nature) of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product or petroleum by-product.

(4) Notice of Violation. The Concessioner shall give the Director in writing immediate notice of any written threatened or actual notice of violation from other regulatory agencies of any Applicable Law arising out of the activities of the Concessioner, its agents or employees.

(5) Communication with Regulatory Agencies. The Concessioner shall provide timely written advance notice to the Director of communications, including without limitation, meetings, audits, inspections, hearings and other proceedings, between regulatory agencies and the Concessioner related to compliance with Applicable Laws concerning operations under this Contract. The Concessioner shall also provide to the Director any written materials prepared or received by the Concessioner in advance of or subsequent to any such communications. The Concessioner shall allow the Director to participate in any such communications. The Concessioner shall also provide timely notice to the Director following any unplanned communications between regulatory agencies and the Concessioner.

(e) Corrective Action

(1) The Concessioner, at its sole cost and expense, shall promptly control and contain any discharge, release or threatened release, as set forth in this section, or any threatened or actual violation, as set forth in this section, arising in connection with the Concessioner's operations under this Contract, including, but not limited to, payment of any fines or penalties imposed by appropriate agencies. Following the prompt control or containment of any release, discharge or violation, the Concessioner shall take all response

actions necessary to remediate the release, discharge or violation, and to protect human health and the environment.

(2) Even if not specifically required by Applicable Laws, the Concessioner shall comply with directives of the Director to clean up or remove any materials, product or by-product used, handled, stored, disposed, or transported onto or into the Area by the Concessioner to ensure that the Area remains in good condition.

(f) Indemnification and Cost Recovery for Concessioner Environmental Activities

(1) The Concessioner shall indemnify the United States in accordance with Section 11 of this Contract from all losses, claims, damages, environmental injuries, expenses, response costs, allegations or judgments (including, without limitation, fines and penalties) and expenses (including, without limitation, attorneys fees and experts' fees) arising out of the activities of the Concessioner, its employees, agents and contractors pursuant to this section. Such indemnification shall survive termination or expiration of this Contract.

(2) If the Concessioner does not promptly contain and remediate an unauthorized discharge or release arising out of the activities of the Concessioner, its employees, agents and contractors, as set forth in this section, or correct any environmental self-assessment finding of non-compliance, in full compliance with Applicable Laws, the Director may, in its sole discretion and after notice to the Concessioner, take any such action consistent with Applicable Laws as the Director deems necessary to abate, mitigate, remediate, or otherwise respond to such release or discharge, or take corrective action on the environmental self-assessment finding. The Concessioner shall be liable for and shall pay to the Director any costs of the Director associated with such action upon demand. Nothing in this section shall preclude the Concessioner from seeking to recover costs from a responsible third party.

(g) Weed and Pest Management

The Concessioner shall be responsible for managing weeds, and through an integrated pest management program, harmful insects, rats, mice and other pests on Concession Facilities assigned to the Concessioner under this Contract. All such weed and pest management activities shall be in accordance with Applicable Laws and guidelines established by the Director.

(h) Protection of Cultural and Archeological Resources.

The Concessioner shall ensure that any protected sites and archeological resources within the Area are not disturbed or damaged by the Concessioner, including the Concessioner's employees, agents and contractors, except in accordance with Applicable Laws, and only with the prior approval of the Director. Discoveries of any archeological resources by the Concessioner shall be promptly reported to the Director. The Concessioner shall cease work or other disturbance which may impact any protected site or archeological resource until the Director grants approval, upon such terms and conditions as the Director deems necessary, to continue such work or other disturbance.

SEC. 7. INTERPRETATION OF AREA RESOURCES

(a) Concessioner Obligations

(1) The Concessioner shall provide all visitor services in a manner that is consistent with and supportive of the interpretive themes, goals and objectives of the Area as reflected in Area planning documents, mission statements and/or interpretive prospectuses.

(2) The Concessioner may assist in Area interpretation at the request of the Director to enhance visitor enjoyment of the Area. Any additional visitor services that may result from this assistance must be recognized in writing through written amendment of Section 3 of this Contract.

(3) The Concessioner is encouraged to develop interpretive materials or means to educate visitors about environmental programs or initiatives implemented by the Concessioner.

(b) Director Review of Content

The Concessioner must submit the proposed content of any interpretive programs, exhibits, displays or materials, regardless of media format (i.e., printed, electronic, or broadcast media), to the Director for review and approval prior to offering such programs, exhibits, displays or materials to Area visitors.

SEC. 8. CONCESSION FACILITIES USED IN OPERATION BY THE CONCESSIONER

(a) Assignment of Concession Facilities

(1) The Director hereby assigns Concession Facilities as described in Exhibit C to the Concessioner for the purposes of this Contract. The Concessioner shall not be authorized to construct any Capital Improvements (as defined in Applicable Laws including without limitation 36 CFR Part 51) upon Area lands. The Concessioner shall not obtain a Leasehold Surrender Interest or other compensable interest in Capital Improvements constructed or installed in violation of this Contract.

(2) The Director shall from time to time amend Exhibit C to reflect changes in Concession Facilities assigned to the Concessioner.

(b) Concession Facilities Withdrawals

The Director may withdraw all or portions of these Concession Facilities assignments at any time during the term of this Contract if:

(1) the withdrawal is necessary for the purpose of conserving, preserving or protecting Area resources or visitor enjoyment or safety;

(2) the operations utilizing the assigned Concession Facilities have been terminated or suspended by the Director; or

(3) land or real property improvements assigned to the Concessioner are no longer necessary for the concession operation.

(c) Effect of Withdrawal

Any permanent withdrawal of assigned Concession Facilities which the Director or the Concessioner considers to be essential for the Concessioner to provide the visitor services required by this Contract will be treated as a termination of this Contract pursuant to Section 15. No compensation is due the Concessioner in these circumstances.

(d) Right of Entry

The Director shall have the right at any time to enter upon or into the Concession Facilities assigned to the Concessioner under this Contract for any purpose he may deem necessary for the administration of the Area.

(e) Personal Property

(1) Personal Property Provided by the Concessioner. The Concessioner shall provide all personal property, including without limitation removable equipment, furniture and goods, necessary for its operations under this Contract, unless such personal property is provided by the Director as set forth in subsection (e)(2).

(2) Personal Property Provided by the Government. The Director may provide certain items of government personal property, including without limitation removable equipment, furniture and goods, for the Concessioner's use in the performance of this Contract. The Director hereby assigns government personal property listed in Exhibit D to the Concessioner as of the effective date of this Contract. This Exhibit D will be modified from time to time by the Director as items may be withdrawn or additional items added. The Concessioner shall be accountable to the Director for the government personal property assigned to it and shall be responsible for maintaining the property as necessary to keep it in good and operable condition. If the property ceases to be serviceable, it shall be returned to the Director for disposition.

(f) Condition of Concession Facilities

The Concessioner has inspected the Concession Facilities and any assigned government personal property, is thoroughly acquainted with their condition, and accepts the Concession Facilities, and any assigned government personal property, "as is."

(g) Utilities

(1) The Director may provide utilities to the Concessioner for use in connection with the operations required or authorized hereunder when available and at rates to be determined in accordance with Applicable Laws.

(2) If the Director does not provide utilities to the Concessioner, the Concessioner shall, with the written approval of the Director and under any requirements that the Director shall prescribe, secure necessary utilities at its own expense from sources outside the Area.

SEC. 9. MAINTENANCE

(a) Maintenance Obligation

Subject to the limitations set forth in Section 8(a)(1) of this Contract, the Concessioner shall be solely responsible for maintenance, repairs, housekeeping, and groundskeeping, for all Concession Facilities to the satisfaction of the Director. To assist in the fulfillment of this obligation, the Concessioner agrees to expend annually not less than five percent (5%) of the Gross Receipts from the previous year on routine, operational maintenance of the Concession Facilities, including repairs, preventative maintenance, and cyclic maintenance recurring within a seven-year time frame. This minimum amount shall not include any amounts expended from the Repair and Maintenance Reserve described in Sec. 9 (c). Furthermore, as this amount is a minimum, the Concessioner may be required to expend additional amounts above this minimum to ensure that the Concession Facilities are maintained to the satisfaction of the Director.

(b) Maintenance Plan

For these purposes, the Director, acting through the Superintendent, shall undertake appropriate inspections, and shall establish and revise, as necessary, a Maintenance Plan consisting of specific maintenance requirements which shall be adhered to by the Concessioner. The initial Maintenance Plan is set forth in Exhibit E. The Director in his discretion may make reasonable modifications to the Maintenance Plan from time to time after consultation with the Concessioner. Such modifications shall be in furtherance of the purposes of this Contract and shall not be inconsistent with the terms and conditions of the main body of this Contract.

(c) Repair and Maintenance Reserve

(1) The Concessioner shall establish and manage a Repair and Maintenance Reserve. The funds in this Reserve shall be used to carry out, on a project basis in accordance with Exhibit E, repair and maintenance of Concession Facilities that are non-recurring within a seven-year time frame. Such projects may include repair or replacement of foundations, building frames, window frames, sheathing, subfloors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roof replacement and similar projects. Projects will be carried out by the Concessioner as the Director shall direct in writing in advance of any expenditure being made and in accordance with project proposals approved by the Director. No projects may be commenced until the Concessioner receives written approval from the Director.

(2) Projects paid for with funds from the Repair and Maintenance Reserve will not include routine, operational maintenance of facilities or housekeeping and groundskeeping activities. Nothing in this section shall lessen the responsibility of the Concessioner to carry out the maintenance and repair of Concession Facilities or housekeeping and groundskeeping responsibilities as required by this Contract from Concessioner funds exclusive of the funds contained in the Repair and Maintenance Reserve.

(3) The Concessioner shall establish within its accounting system a Repair and Maintenance Reserve. The Concessioner shall debit to this Reserve, within fifteen (15) days after the last day of each month that the Concessioner operates a sum equal to: five percent (5%) of the Concessioner's Gross Receipts for the previous month. If the Concessioner fails to make timely debits to the Repair and Maintenance Reserve, the Director may terminate this Contract for default or may require the Concessioner to post a bond in an amount equal to the estimated annual Repair and Maintenance Reserve allocation, based on the preceding year's Gross Receipts.

(4) The balance in the Repair and Maintenance Reserve shall be available for projects in accordance with the Reserve's purpose. For all expenditures made for each project from the Repair and Maintenance Reserve, the Concessioner shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to the Director. Failure to expend Repair and Maintenance Reserve Funds when directed by the Director shall be considered as a material breach of this Contract for which the Director may seek monetary damages and other legal relief, including, without limitation, termination of this Contract.

(5) Repair and Maintenance Reserve funds shall not be used for a major rehabilitation or to construct any Capital Improvements, as those terms are described in 36 CFR 51, Subpart G. The Concessioner shall obtain no ownership, Leasehold Surrender Interest, or other compensable interest as a consequence of the expenditure of Repair and Maintenance Reserve funds.

(6) Any Repair and Maintenance Reserve funds not duly expended by the Concessioner as of the termination or expiration of this Contract shall be retained by the Concessioner (subject to otherwise applicable terms and conditions of this Contract).

SEC. 10. FEES

(a) Franchise Fee

(1) For the term of this Contract, the Concessioner shall pay to the Director for the privileges granted under this Contract a franchise fee equal to _____ percent(____%) of the Concessioner's Gross Receipts for the preceding year or portion of a year.

(2) Neither the Concessioner nor the Director shall have a right to an adjustment of the fees except as provided below. The Concessioner has no right to waiver of the fee under any circumstances.

(b) Payments Due

(1) The franchise fee shall be due on a monthly basis at the end of each month and shall be paid by the Concessioner in such a manner that the Director shall receive payment within fifteen (15) days after the last day of each month that the Concessioner operates. This monthly payment shall include the franchise fee equal to the specified percentage of Gross Receipts for the preceding month.

(2) The Concessioner shall pay any additional fee amounts due at the end of the operating year as a result of adjustments at the time of submission of the Concessioner's Annual Financial Report. Overpayments shall be offset against the following year's fees. In the event of termination or expiration of this Contract, overpayments will first be offset against any amounts due and owing the Government, and the remainder will be paid to the Concessioner.

(3) All franchise fee payments shall be deposited electronically by the Concessioner in accordance with all Applicable Laws.

(c) Interest

An interest charge will be assessed on overdue amounts for each thirty (30) day period, or portion thereof, that payment is delayed beyond the fifteen (15) day period provided for above. The percent of interest charged will be based on the current value of funds to the United States Treasury as published quarterly in the Treasury Fiscal Requirements Manual. The Director may also impose penalties for late payment to the extent authorized by Applicable Law.

(d) Adjustment of Franchise Fee

(1) The Concessioner or the Director may request, in the event that either considers that extraordinary, unanticipated changes have occurred after the effective date of this Contract, a reconsideration and possible subsequent adjustment of the franchise fee established in this section. For the purposes of this section, the phrase "extraordinary, unanticipated changes" shall mean extraordinary, unanticipated changes from the conditions existing or reasonably anticipated before the effective date of this Contract which have or will significantly affect the probable value of the privileges granted to the Concessioner by this Contract. For the purposes of this section, the phrase "probable value" means a reasonable opportunity for net profit in relation to capital invested and the obligations of this Contract.

- (2) The Concessioner or the Director must make a request for a reconsideration by mailing, within sixty (60) days from the date that the party becomes aware, or should have become aware, of the possible extraordinary, unanticipated changes, a written notice to the other party that includes a description of the possible extraordinary, unanticipated changes and why the party believes they have affected or will significantly affect the probable value of the privileges granted by this Contract.
- (3) If the Concessioner and the Director agree that extraordinary, unanticipated changes have occurred, the Concessioner and the Director will undertake good faith negotiations as to an appropriate adjustment of the franchise fee.
- (4) The negotiation will last for a period of sixty (60) days from the date the Concessioner and the Director agree that extraordinary, unanticipated changes occurred. If the negotiation results in agreement as to an adjustment (up or down) of the franchise fee within this period, the franchise fee will be adjusted accordingly, prospectively as of the date of agreement.
- (5) If the negotiation does not result in agreement as to the adjustment of the franchise fee within this sixty (60) day period, then either the Concessioner or the Director may request binding arbitration to determine the adjustment to franchise fee in accordance with this section. Such a request for arbitration must be made by mailing written notice to the other party within fifteen (15) days of the expiration of the sixty (60) day period.
- (6) Within thirty (30) days of receipt of such a written notice, the Concessioner and the Director shall each select an arbiter. These two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel. Unless otherwise agreed by the parties, the arbitration panel shall establish the procedures of the arbitration. Such procedures must provide each party a fair and equal opportunity to present its position on the matter to the arbitration panel.
- (7) The arbitration panel shall consider the written submissions and any oral presentations made by the Concessioner and the Director and provide its decision on an adjusted franchise fee (up, down or unchanged) that is consistent with the probable value of the privileges granted by this Contract within sixty (60) days of the presentations.
- (8) Any adjustment to the franchise fee resulting from this section shall be prospective only.
- (9) Any adjustment to the franchise fee will be embodied in an amendment to this Contract.
- (10) During the pendency of the process described in this section, the Concessioner shall continue to make the established franchise fee payments required by this Contract.

SEC. 11. INDEMNIFICATION AND INSURANCE

(a) Indemnification

The Concessioner agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend and indemnify the United States of America, its agents and employees from and against any and all liabilities, obligations, losses, damages or judgments (including without limitation penalties and fines), claims, actions, suits, costs and expenses (including without limitation attorneys fees and experts' fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, in any way connected with or arising out of the activities of the Concessioner, its employees,

agents or contractors under this Contract. This indemnification shall survive the termination or expiration of this Contract.

(b) Insurance in General

(1) The Concessioner shall obtain and maintain during the entire term of this Contract at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of this Contract as determined by the Director. The initial insurance requirements are set forth below and in Exhibit F. Any changed or additional requirements that the Director determines necessary must be reasonable and consistent with the types and coverage amounts of insurance a prudent businessperson would purchase in similar circumstances. The Director shall approve the types and amounts of insurance coverage purchased by the Concessioner.

(2) The Director will not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by the Concessioner proves to be inadequate or otherwise insufficient for any reason whatsoever.

(3) At the request of the Director, the Concessioner shall at the time insurance is first purchased and annually thereafter, provide the Director with a Certificate of Insurance that accurately details the conditions of the policy as evidence of compliance with this section. The Concessioner shall provide the Director immediate written notice of any material change in the Concessioner's insurance program hereunder, including without limitation, cancellation of any required insurance coverages.

(c) Commercial Public Liability

(1) The Concessioner shall provide commercial general liability insurance against claims arising out of or resulting from the acts or omissions of the Concessioner or its employees, agents or contractors, in carrying out the activities and operations required and/or authorized under this Contract.

(2) This insurance shall be in the amount commensurate with the degree of risk and the scope and size of the activities required and/or authorized under this Contract, as more specifically set forth in Exhibit F. Furthermore, the commercial general liability package shall provide no less than the coverages and limits described in Exhibit F.

(3) All liability policies shall specify that the insurance company shall have no right of subrogation against the United States of America and shall provide that the United States of America is named an additional insured.

(4) From time to time, as conditions in the insurance industry warrant, the Director may modify Exhibit F to revise the minimum required limits or to require additional types of insurance, provided that any additional requirements must be reasonable and consistent with the types of insurance a prudent businessperson would purchase in similar circumstances.

(d) Property Insurance

(1) In the event of damage or destruction, the Concessioner will repair or replace those Concession Facilities and personal property utilized by the Concessioner in the performance of the Concessioner's obligations under this Contract.

(2) For this purpose, the Concessioner shall provide fire and extended insurance coverage on Concession Facilities for all or part of their replacement cost as specified in Exhibit F in amounts no less than the

Director may require during the term of the Contract. The minimum values currently in effect are set forth in Exhibit F.

(3) Commercial property insurance shall provide for the Concessioner and the United States of America to be named insured as their interests may appear.

(4) In the event of loss, the Concessioner shall use all proceeds of such insurance to repair, rebuild, restore or replace Concession Facilities and/or personal property utilized in the Concessioner's operations under this Contract, as directed by the Director. Policies may not contain provisions limiting insurance proceeds to in situ replacement. The lien provision of Section 12 shall apply to such insurance proceeds. The Concessioner shall not be relieved of its obligations under subsection (d)(1) because insurance proceeds are not sufficient to repair or replace damaged or destroyed property.

(5) Insurance policies that cover Concession Facilities shall contain a loss payable clause approved by the Director which requires insurance proceeds to be paid directly to the Concessioner without requiring endorsement by the United States. The use of insurance proceeds for repair or replacement of Concession Facilities will not alter their character as properties of the United States and, notwithstanding any provision of this Contract to the contrary, the Concessioner shall gain no ownership, Leasehold Surrender Interest (as defined in Applicable Laws including without limitation 36 CFR Part 51) or other compensable interest as a result of the use of these insurance proceeds.

(6) The commercial property package shall include the coverages and amounts described in Exhibit F.

SEC. 12. BONDS AND LIENS

(a) Bonds

The Director may require the Concessioner to furnish appropriate forms of bonds in amounts reasonable in the circumstances and acceptable to the Director, in order to ensure faithful performance of the Concessioner's obligations under this Contract.

(b) Lien

As additional security for the faithful performance by the Concessioner of its obligations under this Contract, and the payment to the Government of all damages or claims that may result from the Concessioner's failure to observe any such obligations, the Government shall have at all times the first lien on all assets of the Concessioner within the Area, including, but not limited to, all personal property of the Concessioner used in performance of the Contract hereunder within the Area.

SEC. 13. ACCOUNTING RECORDS AND REPORTS

(a) Accounting System

(1) The Concessioner shall maintain an accounting system under which its accounts can be readily identified with its system of accounts classification. Such accounting system shall be capable of providing the information required by this Contract, including but not limited to the Concessioner's repair and maintenance obligations. The Concessioner's system of accounts classification shall be directly related to the Concessioner Annual Financial Report Form issued by the Director.

(2) If the Concessioner's annual Gross Receipts are \$250,000 or more, the Concessioner must use the accrual accounting method.

(3) In computing net profits for any purposes of this Contract, the Concessioner shall keep its accounts in such manner that there can be no diversion or concealment of profits or expenses in the operations authorized under this Contract by means of arrangements for the procurement of equipment, merchandise, supplies or services from sources controlled by or under common ownership with the Concessioner or by any other device.

(b) Annual Financial Report

(1) The Concessioner shall submit annually as soon as possible but not later than one hundred twenty (120) days after the last day of its fiscal year a financial statement for the preceding fiscal year or portion of a year as prescribed by the Director ("Concessioner Annual Financial Report").

(2) If the annual Gross Receipts of the Concessioner are in excess of \$1,000,000, the financial statements shall be audited by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(3) If annual Gross Receipts are between \$500,000, and \$1,000,000, the financial statements shall be reviewed by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(4) If annual Gross Receipts are less than \$500,000, the financial statements may be prepared without involvement by an independent Certified Public Accountant, unless otherwise directed by the Director.

(c) Other Financial Reports

(1) Balance Sheet. Within ninety (90) days of the execution of this Contract or its effective date, whichever is later, the Concessioner shall submit to the Director a balance sheet as of the beginning date of the term of this Contract. The balance sheet shall be audited or reviewed, as determined by the annual Gross Receipts, by an independent Certified Public Accountant.

SEC. 14. OTHER REPORTING REQUIREMENTS

The following describes certain other reports required under this Contract:

(a) Insurance Certification

As specified in Section 11, the Concessioner shall, at the request of the Director, provide the Director with a Certificate of Insurance for all insurance coverages related to its operations under this Contract. The Concessioner shall give the Director immediate written notice of any material change in its insurance program, including without limitation, any cancellation of required insurance coverages.

(b) Environmental Reporting

The Concessioner shall submit environmental reports as specified in Section 6 of this Contract, and as otherwise required by the Director under the terms of this Contract.

(c) Miscellaneous Reports and Data

The Director from time to time may require the Concessioner to submit other reports and data regarding its performance under the Contract or otherwise, including, but not limited to, operational information.

SEC. 15. SUSPENSION, TERMINATION, OR EXPIRATION**(a) Suspension**

The Director may temporarily suspend operations under this Contract in whole or in part in order to protect Area visitors or to protect, conserve and preserve Area resources. No compensation of any nature shall be due the Concessioner by the Director in the event of a suspension of operations, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the suspension.

(b) Termination

- (1) The Director may terminate this Contract at any time in order to protect Area visitors, protect, conserve, and preserve Area resources, or to limit visitor services in the Area to those that continue to be necessary and appropriate.
- (2) The Director may terminate this Contract if the Director determines that the Concessioner has materially breached any requirement of this Contract, including, but not limited to, the requirement to maintain and operate visitor services to the satisfaction of the Director, the requirement to provide only those visitor services required or authorized by the Director pursuant to this Contract, the requirement to pay the established franchise fee, the requirement to prepare and comply with an Environmental Management Program and the requirement to comply with Applicable Laws.
- (3) In the event of a breach of the Contract, the Director will provide the Concessioner an opportunity to cure by providing written notice to the Concessioner of the breach. In the event of a monetary breach, the Director will give the Concessioner a fifteen (15) day period to cure the breach. If the breach is not cured within that period, then the Director may terminate the Contract for default. In the event of a nonmonetary breach, if the Director considers that the nature of the breach so permits, the Director will give the Concessioner thirty (30) days to cure the breach, or to provide a plan, to the satisfaction of the Director, to cure the breach over a specified period of time. If the breach is not cured within this specified period of time, the Director may terminate the Contract for default. Notwithstanding this provision, repeated breaches (two or more) of the same nature shall be grounds for termination for default without a cure period. In the event of a breach of any nature, the Director may suspend the Concessioner's operations as appropriate in accordance with Section 15(a).
- (4) The Director may terminate this Contract upon the filing or the execution of a petition in bankruptcy by or against the Concessioner, a petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, an assignment by the Concessioner for the benefit of creditors, a petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this Contract or any part thereof upon execution, attachment or other process of law or equity. The Director may terminate this Contract if the Director determines that the Concessioner is unable to perform the terms of Contract due to bankruptcy or insolvency.
- (5) Termination of this Contract for any reason shall be by written notice to the Concessioner.

(c) Notice of Bankruptcy or Insolvency

The Concessioner must give the Director immediate notice (within five (5) days) after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The Concessioner must also give the Director immediate notice of any petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this Contract or any part thereof upon execution, attachment or other process of law or equity. For purposes of the bankruptcy statutes, NPS considers that this Contract is not a lease but an executory contract exempt from inclusion in assets of Concessioner pursuant to 11 U.S.C. 365.

(d) Requirements in the Event of Termination or Expiration

- (1) In the event of termination of this Contract for any reason or expiration of this Contract, no compensation of any nature shall be due the Concessioner in the event of a termination or expiration of this Contract, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the termination.
- (2) Upon termination of this Contract for any reason, or upon its expiration, and except as otherwise provided in this section, the Concessioner shall, at the Concessioner's expense, promptly vacate the Area, remove all of the Concessioner's personal property, repair any injury occasioned by installation or removal of such property, and ensure that Concession Facilities are in at least as good condition as they were at the beginning of the term of this Contract, reasonable wear and tear excepted. The removal of such personal property must occur within thirty (30) days after the termination of this Contract for any reason or its expiration (unless the Director in particular circumstances requires immediate removal). No compensation is due the Concessioner from the Director or a successor concessioner for the Concessioner's personal property used in operations under this Contract. However, the Director or a successor concessioner may purchase such personal property from the Concessioner subject to mutually agreed upon terms. Personal property not removed from the Area by the Concessioner in accordance with the terms of this Contract shall be considered abandoned property subject to disposition by the Director, at full cost and expense of the Concessioner, in accordance with Applicable Laws. Any cost or expense incurred by the Director as a result of such disposition may be offset from any amounts owed to the Concessioner by the Director to the extent consistent with Applicable Laws.
- (3) To avoid interruption of services to the public upon termination of this Contract for any reason, or upon its expiration, the Concessioner, upon the request of the Director, shall consent to the use by another operator of the Concessioner's personal property, excluding inventories if any, not including current or intangible assets, for a period of time not to exceed one (1) year from the date of such termination or expiration. The other operator shall pay the Concessioner an annual fee for use of such property, prorated for the period of use, in the amount of the annual depreciation of such property, plus a return on the book value of such property equal to the prime lending rate, as published by the Federal Reserve System Board of Governors, effective on the date the operator assumes managerial and operational responsibilities. In such circumstances, the method of depreciation applied shall be either straight line depreciation or depreciation as shown on the Concessioner's Federal income tax return, whichever is less. To avoid interruption of services to the public upon termination of this Contract for any reason or its expiration, the Concessioner shall, if requested by the Director, sell its existing inventory to another operator at the purchase price as shown on applicable invoices.
- (4) Prior to and upon the expiration or termination of this Contract for any reason, and, in the event that the Concessioner is not to continue the operations authorized under this Contract after its expiration or

termination, the Concessioner shall comply with all applicable requirements of Exhibit G to this Contract, "Transition to New Concessioner." This Section and Exhibit G shall survive the expiration or termination of this Contract.

SEC. 16. ASSIGNMENT, SALE OR ENCUMBRANCE OF INTERESTS

(a) This Contract is subject to the requirements of Applicable Laws, including, without limitation, 36 CFR Part 51, with respect to proposed assignments and encumbrances, as those terms are defined by Applicable Laws. Failure by the Concessioner to comply with Applicable Laws is a material breach of this Contract for which the Director may terminate this Contract for default. The Director shall not be obliged to recognize any right of any person or entity to an interest in this Contract of any nature or operating rights under this Contract, if obtained in violation of Applicable Laws.

(b) The Concessioner shall advise any person(s) or entity proposing to enter into a transaction which may be subject to Applicable Laws, including without limitation, 36 CFR Part 51, of the requirements of Applicable Law and this Contract.

SEC. 17. GENERAL PROVISIONS

(a) The Director and Comptroller General of the United States, or any of their duly authorized representatives, shall have access to the records of the Concessioner as provided by the terms of Applicable Laws.

(b) All information required to be submitted to the Director by the Concessioner pursuant to this Contract is subject to public release by the Director to the extent provided by Applicable Laws.

(c) Subconcession or other third party agreements, including management agreements, for the provision of visitor services required and/or authorized under this Contract are not permitted.

(d) The Concessioner is not entitled to be awarded or to have negotiating rights to any Federal procurement or service contract by virtue of any provision of this Contract.

(e) Any and all taxes or assessments of any nature that may be lawfully imposed by any State or its political subdivisions upon the property or business of the Concessioner shall be paid promptly by the Concessioner.

(f) No member of, or delegate to, Congress or Resident Commissioner shall be admitted to any share or part of this Contract or to any benefit that may arise from this Contract but this restriction shall not be construed to extend to this Contract if made with a corporation or company for its general benefit.

(g) This Contract is subject to the provisions of 43 CFR, Part 42, as applicable, concerning nonprocurement debarment and suspension. The Director may recommend that the Concessioner be debarred or suspended in accordance with the requirements and procedures described in those regulations, as they are effective now or may be revised in the future.

(h) This Contract contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this Contract. This Contract may be extended, renewed or amended only when agreed to in writing by the Director and the Concessioner.

(i) This Contract does not grant rights or benefits of any nature to any third party.

(j) The invalidity of a specific provision of this Contract shall not affect the validity of the remaining provisions of this Contract.

(k) Waiver by the Director or the Concessioner of any breach of any of the terms of this Contract by the other party shall not be deemed to be a waiver or elimination of such term, nor of any subsequent breach of the same type, nor of any other term of the Contract. The subsequent acceptance of any payment of money or other performance required by this Contract shall not be deemed to be a waiver of any preceding breach of any term of the Contract.

(l) Claims against the Director (to the extent subject to 28 U.S.C. 2514) arising from this Contract shall be forfeited to the Director by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof within the meaning of 28 U.S.C. 2514.

In Witness Whereof, the duly authorized representatives of the parties have executed this Contract on the dates shown below.

CONCESSIONER**UNITED STATES OF AMERICA**

BY _____
(Title)
(Company Name)

BY _____
Director
National Park Service

DATE _____

DATE _____

[CORPORATIONS]

ATTEST:

BY: _____
TITLE: _____

[SOLE PROPRIETORSHIP]

WITNESSES:

NAME _____
ADDRESS _____
TITLE _____

NAME _____
ADDRESS _____
TITLE _____

[PARTNERSHIP/LIMITED LIABILITY COMPANY]

WITNESSES AS TO EACH:

[Concessioner]

NAME _____

(NAME)

ADDRESS _____

NAME _____

(NAME)

ADDRESS _____

**ZION NATIONAL PARK
CC-ZION003-09
CONTRACT EXHIBITS**

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EXHIBIT A

NONDISCRIMINATION

Section I: Requirements Relating to Employment and Service to the Public

A. EMPLOYMENT

During the performance of this CONTRACT the Concessioner agrees as follows:

- 1) The Concessioner will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or disabling condition. The Concessioner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disabling condition. Such action shall include, but not be limited to, the following: Employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Concessioner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary setting forth the provision of this nondiscrimination clause.
- 2) The Concessioner will, in all solicitations or advertisements for employees placed by on behalf of the Concessioner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.
- 3) The Concessioner will send to each labor union or representative of workers with which the Concessioner has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Secretary, advising the labor union or workers' representative of the Concessioner's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) Within 120 days of the commencement of a contract every Government contractor or subcontractor holding a contract that generates gross receipts which exceed \$50,000 and having 50 or more employees shall prepare and maintain an affirmative action program at each establishment which shall set forth the contractor's policies, practices, and procedures in accordance with the affirmative action program requirement.
- 5) The Concessioner will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 6) The Concessioner will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the Concessioner's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- 7) In the event of the Concessioner's noncompliance with the nondiscrimination clauses of this CONTRACT or with any of such rules, regulations, or orders, this CONTRACT may be canceled, terminated or suspended in whole or in part and the Concessioner may be declared ineligible for further Government concession contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 8) The Concessioner will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Concessioner will take such action with respect to any subcontract or purchase order as the Secretary may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Concessioner becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Secretary, the Concessioner may request the United States to enter into such litigation to protect the interests of the United States.

B. CONSTRUCTION, REPAIR, AND SIMILAR CONTRACTS

The preceding provisions A(1) through A(8) governing performance of work under this CONTRACT, as set out in Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, shall be applicable to this CONTRACT, and shall be included in all contracts executed by the Concessioner for the performance of construction, repair, and similar work contemplated by this CONTRACT, and for that purpose the term "CONTRACT" shall be deemed to refer to this instrument and to contracts awarded by the Concessioner and the term "Concessioner" shall be deemed to refer to the Concessioner and to contractors awarded contracts by the Concessioner.

C. FACILITIES

(1) Definitions: As used herein:

- a) Concessioner shall mean the Concessioner and its employees, agents, lessees, sublessees, and contractors, and the successors in interest of the Concessioner;
- b) Facility shall mean any and all services, facilities, privileges, accommodations, or activities available to the general public and permitted by this agreement.

(2) The Concessioner is prohibited from:

- a) publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin, or disabling condition;

- b) discriminating by segregation or other means against any person.

Section II: Accessibility

Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978, requires that action be taken to assure that any “program” or “service” being provided to the general public be provided to the highest extent reasonably possible to individuals who are mobility impaired, hearing impaired, and visually impaired. It does not require architectural access to every building or facility, but only that the service or program can be provided somewhere in an accessible location. It also allows for a wide range of methods and techniques for achieving the intent of the law, and calls for consultation with disabled persons in determining what is reasonable and feasible.

No disabled person shall, because a Concessioner's facilities are inaccessible to or unusable by disabled persons, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance or conducted by any Executive agency or by the U.S. Postal Service.

A. DISCRIMINATION PROHIBITED

A Concessioner, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of a disability:

- 1) Deny a qualified disabled person the opportunity to participate in or benefit from the aid, benefit, or service;
- 2) Afford a qualified disabled person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
- 3) Provide a qualified disabled person with an aid, benefit, or service that is not as effective as that provided to others;
- 4) Provide different or separate aids, benefits, or services to disabled persons or to any class of disabled persons unless such action is necessary to provide qualified disabled persons with aid, benefits, or services that are as effective as those provided to others;
- 5) Aid or perpetuate discrimination against a qualified disabled person by providing significant assistance to an agency, organization, or person that discriminates on the basis of disability in providing any aid, benefit, or service to beneficiaries of the recipient's program;
- 6) Deny a qualified disabled person the opportunity to participate as a member of planning or advisory boards; or
- 7) Otherwise limit a qualified disabled person in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service.

B. EXISTING FACILITIES

A Concessioner shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by disabled persons. This paragraph does not require a Concessioner to make each of its existing facilities or every part of a facility accessible to and usable by disabled persons. Notwithstanding, each departure point will be fully accessible,

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INTRODUCTION

This Operating Plan between _____ (hereinafter referred to as the “Concessioner”) and the National Park Service (hereinafter referred to as the “Service”) will serve as a supplement to Concession Contract CC-ZION003-09 (hereinafter referred to as the “Contract”). It describes specific operating responsibilities of the Concessioner and the Service with regard to those lands and facilities, referred to collectively as Concession Facilities, within Zion National Park (hereinafter referred to as the “Area”) that are assigned to the Concessioner for the purposes authorized by the Contract.

In the event of any conflict between the terms of the Contract and this Operating Plan, the terms of the Contract, including its designations and amendments, will control.

This plan will be reviewed annually by the Superintendent of Zion National Park in consultation with the Concessioner and revised as determined necessary by the Superintendent.

Any revisions will be consistent with the main body of the Contract. Any revisions must be reasonable and in furtherance of the purposes of the Contract.

1) **Responsibilities**

A) Concessioner

To achieve an effective and efficient working relationship between the Concessioner and the Service, the Concessioner will designate an on-site general manager who:

- (1) Has the authority and the managerial experience for operating the designated Concessions Facilities and required and authorized services within the Area;
- (2) Will employ a staff with the expertise and training to operate all services authorized under the Contract;
- (3) Has full authority to act as a liaison in all concession administrative and operational matters within the Area; and,
- (4) Has the responsibility for implementing the policies and directives of the Service.

In the absence of the general manager, the Concessioner will designate an acting general manager.

B) Zion National Park

The Superintendent of the Area is the Area manager with responsibility for all Area operations, including concession operations. The Superintendent carries out the policies and directives of the Service, including concession contract management. Directly, or through designated representatives, the Superintendent reviews, directs, and coordinates Concessioner activities relating to the Area. This includes:

- (1) Evaluation of Concessioner services and facilities;
- (2) Review and approval of rates charged for all commercial services;
- (3) Review and approval of all changes to facilities; and

- (4) Delivery of a current Service staff list, as needed, to the Concessioner with all appropriate points of contact.

2) General Operating Standards and Requirements

A) Schedule of Operation

The Concessioner will provide the required services for Area visitors on a year-round basis. Ninety days prior to requested implementation of a change in operating schedules, the Concessioner annually will submit a schedule of proposed opening and closing hours. The usual peak operating season will run from April to November. The Service will approve the exact opening and closing hours each year in writing 45 days prior to implementation. The Service will give reasonable notice in writing of any schedule changes it may initiate.

B) Rate Determination and Approval Process

- (1) *Rate Determination.* The Service ensures that the Concessioner's rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided by the private sector. The Service will judge reasonableness of rates based upon current concession management guidelines. Rate approval methods are subject to change. The Service will consider alternative rate setting methodology to reflect substantial changes in service quality and expenditures. The currently approved rate method is comparability for all services and facilities except for the following:
- (a) Merchandise, including gifts and souvenirs, are approved in accordance with the National Park Service Competitive Market Declaration (CMD) guidelines. The Service will approve prices for convenience store items based on Service-provided markup percentages.
 - (b) The Concessioner will submit all rate requests for food and beverage service in accordance with Service guidelines according to the Core Menu Method. After the Concessioner and Service establish an initial core menu, only those core menu items regularly on the menu are subject to comparability analysis. The Concessioner will not include non-core items on the rate requests, but the Service will review those items for menu approval. All menus are subject to Superintendent's approval prior to finalization.
- (2) *Request Submittal for Rate Determination and Approval Process.* The Concessioner will submit all requests for rate changes in writing, at least 60 days prior to anticipated implementation dates, brochure publication dates, and customer notification. The rate requests will include support by established criteria and comparable data. The current National Park Service Rate Approval Guidelines outline the information the Concessioner must include in the request. The Service will evaluate rates once per year, using comparables it selects, unless extenuating circumstances require reevaluation. The Service will consider alternative rate settings methodology to reflect substantial changes in service quality, expenditures, or required investment.

(3) *Rate Approval*

- (a) *Approval Timing.* The Service will approve, disapprove, or adjust rates and will inform the Concessioner within 45 days of receiving the rate request submittal. If a longer response period is needed, the Service will inform the Concessioner of the altered response date.
 - (b) *Approved Rate Posting.* The Concessioner must make approved rates for goods and services available to visitors. The Concessioner will prominently post all rates for goods and services provided to the visiting public, including room rates posted in each room.
- (4) *Rate Compliance.* The Service periodically will conduct on-site comparability studies with follow-up telephone calls to update rate information in accordance with current concessions rate reviews. The Service will check rate compliance during periodic operation evaluations and throughout the year. Approved rates will remain in effect until superseded by written changes approved by the Superintendent.
- (5) *Reduced Rates for Federal Government Employees.* Reduced rates for federal government employees on official business will be part of the approved rate schedules.

C) Purchasing

- (1) *Competitive Purchasing.* The Concessioner may purchase from a facility operated or owned by the Concessioner or a parent company, provided the product is comparable in quality and price.
- (2) *Discounts.* The Concessioner will take advantage of all available trade, cash and quantity discounts and rebates. Depending on the method of rate approval, the Concessioner will pass these savings through to the consumer.
- (3) *Environmental.* The Concessioner will purchase environmentally friendly products whenever available and feasible. The Concessioner will develop a list of environmentally friendly (i.e., “green”) products and acceptable alternatives for use in all of their operations and will provide the list to the Service for review and for information purposes.

D) Evaluations

The Concessioner will manage operations and service to ensure the protection of resources, compliance with public health and safety requirements, and provide satisfactory services and accommodations for the Area visitor within the assigned areas of responsibility. The Concessioner’s operation of accommodations, facilities, and services authorized by the Contract will conform to the evaluation standards set forth in the current National Park Service Concession Management Guidelines. The Service’s evaluation of facilities and services is a component of the Concessioner’s annual overall rating.

The Service and the Concessioner will separately inspect and monitor Concession Facilities and services with respect to Service policy, applicable standards, authorized rates, safety, public health, environmental compliance, impacts on cultural and natural resources, integrated pest management policies, identified maintenance and operating deficiencies, and visitor satisfaction and concerns.

The Concessioner will meet with Service officials to prioritize and schedule the correction of deficiencies and the implementation of improvement programs resulting from these inspections. The Concessioner will correct deficiencies and complete abatement plans within dates assigned by the Service.

- (1) *Periodic Evaluations.* The Service will conduct both announced and unannounced periodic evaluations of Concession Facilities and services to ensure conformance to operational standards. The Service will contact managers at the time of facility evaluations so that a representative of the Concessioner may accompany the Service evaluator.
- (2) *Area Annual Report.* The Concessioner will receive an annual performance evaluation by March 1 for the preceding calendar year. The Superintendent and/or his/her representative(s) are available to meet with the Concessioner to discuss the annual evaluation, which includes contractual, operational, public health, and safety components.
- (3) *Health and Safety Inspections*
 - (a) *Concessioner Safety Inspection.* The Concessioner will perform periodic interior and exterior safety inspections of all Concession Facilities in accordance with its documented Risk Management Program. The Concessioner will conduct health and safety inspections in employee housing areas. The Concessioner will ensure employee compliance with health, fire, and safety code regulations as well as the Service's policies and guidelines.
 - (b) *Service Safety Inspections.* The Service may periodically conduct a comprehensive safety and occupational health evaluation of all concession operations and facilities in addition to the review of the Concessioner's Risk Management Program.
- (4) *Public Health Inspections.*
 - (a) A representative of the U.S. Public Health Service will conduct periodic inspections.
 - (b) The Concessioner will demonstrate a commitment to visitor safety by planning for safe food storage, handling and preparation. The Concessioner must document its compliance with public health standard operating procedures, processes, personnel responsibilities, and training in a formal food safety management plan or incorporated into existing business/operating plans.
- (5) *Fire Inspections*
 - (a) *Service Responsibilities.* The Service may conduct fire safety inspections at its discretion over the course of the contract term and contact location managers at the time of facility inspections so that a representative of the Concessioner may accompany the Service evaluator.
 - (b) *Concessioner Responsibilities.* The Concessioner will have a qualified professional perform interior and exterior fire inspections of all Concession Facilities within 30 days after the effective date of the Contract and on an annual basis thereafter. The Concessioner must maintain written records, verifying the

completion of such inspections, and make the records available to the Service upon request. The Concessioner will conduct routine fire drills of Concession Facilities as required by its Risk Management Program. The Concessioner will perform inspections in accordance with applicable Director Orders (such as DO 58).

- (c) The Concessioner will routinely test, repair, and replace all smoke detectors as needed. The Concessioner must have trained personnel to test, reset, winterize, and ensure that fire protection system is operational each spring and throughout the season. The Concessioner will have a night watchman on staff year-round. The Concessioner will maintain and routinely test guest unit entrance and sliding glass door locking devices to ensure effectiveness.
- (6) *Visitor Comments.* The Concessioner will make Service-approved comment cards available to visitors to measure service and quality standards, product mix, pricing, and overall Area experience. The Concessioner must have an adequate inventory of comment cards available at appropriate locations within its facilities at all times.
 - (a) The Concessioner will investigate and respond to all visitor complaints regarding its services. The Concessioner will provide copies of visitor comments that allege misconduct by concession or NPS employees, pertain to the safety of visitors or Service employees, or concern the safety of Area resources to the Service upon receipt.
 - (b) The Concessioner will forward to the Superintendent by the 15th day of each month, a summary of all comments and/or complaints received on comment cards or any other form of documentation.
 - (c) The Service will forward to the Concessioner any comments and/or complaints received regarding the Concession Facilities or services. The Concessioner will investigate and make an initial response to any complaints within 48 hours. The Concessioner will forward a copy of responses to the Superintendent, and a copy of any Service response will be forwarded to the Concessioner.
- (7) *Environmental Audit.* The Service's Environmental Audit Program evaluates Concessioner Facilities and operations with respect to environmental compliance and Best Management Practices Criteria contained within the current Service environmental audit program operating guidelines and in conformance with the Concessioner's EMP.

E) General

- (1) *Facilities Use.* The Concessioner may use the Concession Facilities only for activities or services that directly and exclusively support the visitor services required or authorized by this Contract unless otherwise approved in writing by the Superintendent.
 - (a) *Quiet Hours.* The Concessioner will enforce quiet hours between the hours of 10 p.m. and 6 a.m. in all Concession overnight facilities including the concession employee housing areas.

- (b) **Smoking Policy.** Smoking is prohibited in all Concession buildings. There will be no smoking within 25 feet of any entrances of Concession buildings.
 - (c) **Auditorium.** The Service has primary access to the Zion Lodge Auditorium. The Concessioner will schedule use of the auditorium only with the approval of the Service.
 - (d) **Lawn.** The Concessioner will make the Service aware of proposed group (25 and above) use of the lawn area.
 - (e) **The Concessioner may locate only those management offices in the Area necessary to support the Concessioner's operations in the Area.**
- (2) **Facility Reservations.** The Concessioner will use a central computerized reservation system capable of accommodating requests for all services for which the Concessioner offers reservations. The Concessioner will accept reservations on a 366-day forward rolling basis.
- (a) **Staff.** The Concessioner will provide adequate staff in the reservations office on a year-round basis and will increase staff, if necessary, to meet the need during peak periods. The Concessioner must identify a contact person responsible for the reservation system.
 - (b) **Reservation Services.** Reservation services will be available, at a minimum, via toll-free telephone, mail, fax, Internet, and well-marked publicly-available reservation phone in the visitor center.
 - (c) **Deposits/Refunds.** The deposit requirement and refund policy is part of the rate approval process. The Concessioner will include the policy in all accommodation brochures, websites, and reservation confirmations.
 - The Concessioner may require a deposit to hold a reservation and will accept cash, check, money order, or major credit card for such purpose.
 - The Concession will process refunds within two weeks of cancellation.
 - **Cancellations.** If a cancellation is made prior to seventy-two hours of the reservation date, the Concessioner will refund the deposit in full less an administrative fee. The Concessioner will submit its administrative fee schedule with each rate request. If a cancellation is made in less than seventy-two hours from the reservation date, the deposit may be forfeited. The Concessioner may request changes to the cancellation policy as part of its rate request.
 - (d) **Confirmed Rates.** The Concessioner will honor rates quoted at time of reservation.
- (3) **Lost and Found.** The Concessioner will establish and provide an effective program for handling lost and found or unattended property in the Concession Facilities. This program will integrate with the Area's existing lost and found system. The Concessioner will provide the Service a written description of the rules for and method of implementing the initial lost and found program within 30 days of the

effective date of the Contract. The Concessioner will provide written changes to the program to the Service in advance of implementation.

- (4) *Credit Cards.* The Concessioner will honor government-issued credit cards and, at a minimum, American Express, MasterCard, Visa, and Discover. The Concessioner will accept debit cards.

(5) *Telephone Services*

- (a) *Public Pay Phones.* The Concessioner will provide full public pay phone service with the phones located at sites approved by the Superintendent. The Concessioner will check public phones regularly to ensure that they are in working order. The Concessioner will repair out-of-order phones within a reasonable time frame.
- (b) *Telephone Charges.* The Concessioner will provide public access to long distance services. The rate charged to guests for local calls must not exceed the current local pay phone charges. Rates charged to guests for long distance calls must be comparable to that charged by similar lodging properties in the market area. The Concessioner will submit these rates for approval in conjunction with the approval for lodging rates.

(6) *Vending*

- (a) *Vending Sources.* If provided, the Concessioner will locate vending and newspaper machines at convenient locations. All vending machines must feature a design and color that complement the aesthetics of the building and surroundings. The Concessioner must obtain the Service's approval of all machine locations and exterior aesthetics before placing the machines in Concession Facilities.
- (b) *Standards.* The Concessioner will keep all machines clean, properly stocked, and in good working condition. The Concessioner will ensure that machines are adequately illuminated but do not contribute to night light pollution.
- (c) *Out-of-service.* The Concessioner will place computer-generated signs on any vending machine that is temporarily out-of-service.
- (d) *Cigarettes.* The Concessioner may not offer cigarette vending machines.
- (e) *Internet access.* Internet access may be provided at sites, and at rates, to be approved by the Service.
- (f) *ATM.* If provided, the Concessioner will locate an automatic teller machine (ATM) at a site approved by the Superintendent.

(7) *Vehicles*

- (a) *Licensing, Insurance, Maintenance and Registration.* The concessioner will ensure that all vehicular equipment used by the Concessioner is properly registered, licensed, insured, and maintained in accordance with Applicable Laws.

- (b) Concessioner Parking. The Concessioner and its employees will only use Service-approved designated areas to park and store vehicles and equipment in a safe, organized manner.
 - (c) Identification. The Concessioner will discreetly identify its vehicles with the company name and logo.
- (8) *Interaction with Wildlife.* The feeding of wildlife within the Area is prohibited. The Concessioner will not encourage nor inadvertently facilitate the feeding of wildlife at any facility within its land assignment by displaying food in such a manner that may imply approval of the feeding of wildlife. The Concessioner will completely control and contain all food supplies and waste materials and containers, within the Concession Facilities, in order to avoid attracting wildlife.
- (9) *Employee Housing, Food and Recreation Programs*
- (a) The Concessioner will provide housing, food, and recreation programs for its employees. The Concessioner will provide adequate cooking and food storage facilities where appropriate. The Concessioner will ensure that food storage facilities are vermin-proof and that preventative measures are in place for Hantavirus.
 - (b) The Concessioner will manage its housing rental and food account on a cost-recovery basis, and not as a profit center.
 - (c) The Concessioner will designate a supervisor for employee housing and provide the supervisor's name and contact information to the Superintendent.
 - (d) The Concessioner will not allow pets in shared housing. The Concessioner may allow up to two pets in RV housing. Employee pet owners are subject to the same pet restrictions as Area visitors, which are set forth under the provisions of 36 C.F.R. § 2.15 and in the Superintendent's Compendium.
 - (e) The Concessioner will assign no more than four occupants per dorm room and must furnish employee rooms adequately to serve the number of occupants.
 - (f) The Concessioner's employee food service will provide a high-quality, well-balanced, varied food assortment accommodating a variety of diets, including vegetarian. The Concessioner will provide food service to accommodate employee work schedules.
 - (g) The Concessioner will notify the Area dispatch center of abandoned vehicles within its assigned areas, which may include employee vehicles. The Concessioner will make arrangements to have vehicles towed in accordance with Area standard operating procedures. The Concessioner will pay the towing costs.
 - (h) The Concessioner will inform employees residing in the Concessioner's employee housing area of Service regulations and policies, including but not limited to residency within the Area, through employee orientation, newsletters, and official advisories and notices provided by the Concessioner or the Service.
 - (i) The content of the employee housing lease agreement and the employee housing rules and regulations are subject to the review of the Superintendent. The

employee housing agreement will specify housing and meal rates for employees, deposit and refund policies, and assignment policies.

- (j) The Concessioner must designate a smoking area for its employees near the dormitory area subject to approval by the Superintendent.
- (k) Employee Recreation Program. The Concessioner will offer a variety of appropriate recreational activities for its employees. The Concessioner will submit a description of the planned activities for the following year to the Superintendent for review.

F) Human Resources Management

- (1) *Employee Identification and Appearance.* At a minimum, the Concessioner will issue all employees an employee photo identification card that includes their name and an expiration date based on the employee's anticipated departure date. The Concessioner will collect the identification cards upon termination of employment or at the end of the season for seasonal employees. The Concessioner will ensure that all employees in direct contact with the general public wear uniforms or standardized clothing with their personal nametags. Employees will be neat and clean in appearance and will project a hospitable, positive, friendly and helpful attitude. At the beginning of this Contract, the Concessioner will obtain the Superintendent's approval of the uniforms. Thereafter the Concessioner will obtain the Superintendent's approval for any changes.
- (2) *Check-in and Check-out Procedures.* The Concessioner will implement and utilize a standardized check-in and check-out system for every employee. The Concessioner will advise the Concessions Management Office of any employee identification cards, vehicle stickers or gate cards that are not turned in when an employee checks out.
- (3) *Transportation of Employees in Certain Circumstances.* The Concessioner will develop and submit to the Service within 90 days of effective date of the Contract, a written policy which describes how the Concessioner will transport out of the Area, and to public transportation, any concession employee (and their personal property) who has been terminated. The plan will also describe how the Concessioner will transport employees to and from a medical facility. The plan is subject to Superintendent approval.
- (4) *Area Gate Cards*
 - (a) The Concessioner will contact the Contracting Office to purchase Area gate cards.
 - (b) All gate cards remain accountable property of the U.S. Government and will be surrendered upon termination of employment. The Concessioner will notify the Concessions Management Office of any gate cards that are not accounted for.
- (5) *Employee Hiring Procedures*
 - (a) General Manager. The general manager will have an extensive background as a general manager of a multi-disciplinary resort in the hospitality industry.
 - (b) Staffing Requirements. The Concessioner will hire a sufficient number of employees to ensure satisfactory visitor services throughout the season. The

Concessioner will meet all applicable requirements of the U.S. Department of Labor.

- (c) **Drug-free Environment.** The Concessioner will maintain, to the greatest extent possible, a drug-free workplace environment. The Concessioner will conduct educational program(s) for its employees to deter substance and alcohol abuse. The Concessioner will ensure that those employees who are in safety sensitive and supervisory positions will participate in an appropriate drug-testing program. If an incident of Concessioner employee testing positive for illegal drug use occurs, the Concessioner will promptly report to the Superintendent the drug use and subsequent action taken. If the Concessioner finds evidence of illegal drug use/possession/distribution within the Area they are to immediately contact the Area dispatch center of the incident.
- (d) **Background Checks.** The Concessioner will establish hiring policies that will include appropriate background reviews of applicants for employment. The Concessioner may coordinate with the Service to assist in securing background information prior to hiring new employees. The Concessioner will make appropriate hiring decisions in consideration of the information obtained. The Concessioner will provide the Area Dispatch office with employee name, date of birth and social security number within 48 hours of the employee starting work within the Area.
- (e) **Driver Requirements.** Drivers of all Concessioner vehicles will have a valid state operator's license for the size and class of vehicle being driven. The drivers also must comply with any additional Utah requirements for the type of vehicle driven or number of passengers carried.
- (f) **Area Employees.** The Concessioner will not employ in any status a Service employee, his/her spouse, or minor children of Service employees without the Superintendent's prior written approval.

(6) Training

- (a) **Safety.** The Concessioner will train its employees according to the training requirements in its Risk Management Plan.
- (b) **Job Training and Orientation.** The Concessioner will provide appropriate job training to each employee prior to duty assignments and working with the public. The Concessioner will provide mandatory employee orientation for all new employees and inform employees of Area regulations and requirements that affect their employment and activities while working and residing in the Area.
- (c) **Hospitality Training.** The Concessioner will provide hospitality training for employees who have direct visitor contact.
- (d) **Sanitation Training.** The Concessioner will provide sanitation training to food service personnel at the start of their employment in a food service facility and as needed to comply with the current edition of the U. S. Public Health Service Food Code.

- (e) Environmental Training. The Concessioner will provide environmental training to all employees according to requirements in its Environmental Management Program.
- (f) Employee Handbook. The Concessioner will provide all employees with a copy of the Concessioner's employee handbook, which will specifically identify the policies and regulations of the Concessioner and the Service. The Concessioner will provide a copy of all employee handbooks to the Service for a 30-day period of review and approval prior to distribution to employees to ensure consistency with all Area rules and regulations. When the handbook is updated, the concessioner will forward a copy to the Area.
- (7) *Employee Conduct*. The Concessioner will review the conduct of any of its employees whose actions or activities are considered by the Service or Concessioner to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors. The Concessioner will take such actions as are appropriate to fully correct any such situation.

G) Risk Management Program

The Concessioner will develop and maintain a Risk Management Plan to implement an appropriate safety program. The Concessioner will develop and submit an initial plan to the Area within 60 days of the effective date of this Contract. The concessioner will submit the plan for review and approval by the Service annually. The program will include, at a minimum, the following components:

- (1) Administration
- (2) Inspections
- (3) Deficiency Classification and Hazards Abatement Schedules
- (4) Accident Reporting and Investigation
- (5) Public Safety Awareness
- (6) Training
- (7) Emergency Procedures
- (8) Monthly Safety Report to Chief, Concessions Management

3) Utility Responsibility

A) Concessioner Responsibility

- (1) The Concessioner will contract with independent suppliers to provide utility services not provided by the Area. The Concessioner is responsible for the direct payment to these suppliers.
- (2) The Concessioner must promptly pay for electricity, fuel, refuse collection, telephone, sewage disposal, water, or any other utility or service, whether provided by a governmental authority, public, or community service company.

- (3) The Concessioner will conserve energy, water, and other resources through policies, programs, goals, metrics, and technology.

B) National Park Service Responsibility

- (1) The Service will provide water and sewage services to the Concession Facilities. The Service will charge on a monthly basis for these services in accordance with current regulations and policies.
- (2) The Service will review its operating costs for utility systems and services annually and will notify the Concessioner in writing 60 days prior to implementation.
- (3) Nothing in this agreement will prevent the Service from terminating a particular utility service if such service is commercially available and the Service deems it is in the public interest to switch to a commercial utility.

4) Protection and Security

A) Concessioner Security Personnel

- (1) *Security.* The Concessioner will assume security responsibilities for the employee housing area to handle in-house employee issues and to check Concession Facilities for security purposes on a 24-hour, 7-day per week schedule. Concessioner-employed security personnel will enforce the Concessioner's employee policies and housing regulations.
- (2) *Authority.* Concessioner-employed security personnel have only the authority of private citizens in their interaction with Area visitors and employees. They have no authority to take law enforcement action or to carry firearms.
- (4) *Reporting of Criminal Violations:* The Concessioner will implement standard operating procedures that result in the immediate reporting, by phone call, of all suspected and known criminal violations to the Zion National Park Dispatch Center at (435) 772- 0178 or by calling (435) 772-3322 or 911 if the center is closed.

B) The National Park Service

The National Park Service has proprietary jurisdiction on all Area lands and all facilities.

C) Fire Protection

The Service and the Concessioner provide fire protection jointly, with primary responsibility lying with the Service.

(1) Concessioner

- (a) Fire prevention and protection will be primary considerations in all Concession Facilities.
- (b) The Concessioner will ensure that all Concession Facilities meet Applicable Laws and that fire detection and appropriate suppression equipment is installed, operated, and maintained in accordance with appropriate National Fire Protection Association standards.

- (c) The Concessioner will designate a structural fire manager to ensure the Concessioner's compliance with its responsibilities.
- (d) The Concessioner may allow employees to participate as a volunteer in the Area or Springdale Fire Department and participate in available training.
- (2) *National Park Service.* The Service provides emergency response fire protection services to the Concessioner.

D) Emergency Medical Care

- (1) *Emergency Medical Care.* The Area provides emergency response medical services.
- (2) *Training*
 - (a) The Concessioner will allow its employees to attend emergency medical training, including cardio pulmonary resuscitation (CPR), automatic external defibrillator (AED) and first aid courses provided in the local area.
 - (b) The Concessioner will train all concession employees in proper emergency reporting procedures and how to provide essential information, e.g., a call back number at their location. The Zion National Park Dispatch Center will dispatch rangers and emergency personnel.
- (3) *Points of Contact to Report Medical Emergencies.* All medical emergencies will be reported to the Zion National Park Dispatch Center at (435) 772-0178 or (435) 772-3322 or 911 if the center is closed.
- (4) The Concessioner will be required to have at least one AED located at the Front Desk at the Zion Lodge. The Concessioner will maintain the AED. The Concessioner will ensure front desk and security personnel are trained in use of the AED.

E) Physical Security

The concessioner will provide a Physical Security Plan for approval by the Superintendent. The plan will address appropriate intrusion/panic alarms, safeguarding of funds, and video surveillance/recording of central areas where funds are secured and remits prepared.

5) Public Relations

A) Required Notices

The Concessioner will prominently post the following at all Concessioner cash registers and payment areas:

This service is operated by (Concessioner's name), a Concessioner under contract with the U.S. Government and administered by the National Park Service. The Concessioner is responsible for conducting these operations in a satisfactory manner. Prices are approved by the National Park Service. Please address comments to: Superintendent

Zion National Park
State Route 9
Springdale, UT 84767-1099

B) Public Statements

The Concessioner will forward all media inquiries concerning operations within the Area to the Area's Concessions Management Office or Public Information Office.

C) Advertisements and Promotional Material*(1) Promotional Material*

- (a) Approval. The Concessioner must obtain the Superintendent's approval for all promotional material prior to any Concessioner use including publication, distribution, and broadcast, etc. The Concessioner will contact the Concessions Management Office well in advance to establish specific time frames for review of new projects or major changes to existing materials. The Superintendent may require the Concessioner to remove from circulation any unapproved promotional material.
- (b) The Concessioner may only distribute promotional material within the Concession Facilities that provides information about services and facilities available within the Area.
- (c) Changes. The Concessioner must submit brochure text and layout changes to the Superintendent for review and approval at least 30 days prior to projected need/printing dates. The Superintendent will make every effort to respond to minor changes to brochure and other texts within 15 days after receiving the request from the Concessioner.

(2) Statements

- (a) Authorization. All advertisements must include a statement that the National Park Service and the Department of the Interior authorize the Concessioner to serve the public in Zion National Park.
- (b) Equal Opportunity. Advertisements for employment must state that the company is an equal opportunity employer.

6) Volunteers in Parks (VIP) Program

The Concessioner may allow its employees to participate in the Volunteers in Parks (VIP) program. More information on the Area VIP program can be found at www.nps.gov/zion.

7) Specific Operating Standards And Requirements

The Concessioner will provide all services in a consistent, environmentally sensitive, quality manner. Standards provided by current NPS concession management guidelines are Service minimums and the Service expects the Concessioner to exceed these standards. The Concessioner must monitor its operations to ensure it meets quality standards.

A) Lodging*(1) General*

- (a) Non-Smoking Rooms. All rooms will be non-smoking and the Concessioner will inform guests of this in all advertising, at check-in, and on the Concessioner's website.
- (b) Guest Room Security. Each guest unit door must have both a primary lock and a secondary deadbolt lock. Each door to a connecting room must be equipped with a deadbolt lock.
- (c) Guest Room Cleanliness. At a minimum, each guest unit must be cleaned thoroughly with complete bed and bath linens changed between stays or upon request, and with daily maid service for multiple-night stays if requested. Fresh linens and bathroom supplies must be available upon request.
- (d) Information Packet. At a minimum, each guest room will include information outlining facilities and services and activities available throughout the Area. The information packet is subject to the review and approval by the Superintendent.
- (e) Televisions. The Concessioner will not provide televisions as a part of furnishings in guest rooms. Upon request, the Superintendent may make exceptions to this policy.

(3) Zion Lodge Motel Rooms

- (a) Maximum Required Inventory: 76 units, 304 pillows
- (b) Standard. All rooms will have the following minimum amenities:
 - Telephone
 - Hairdryer
 - Glasses (glass, rather than plastic) and ice bucket
 - Bulk soap and shampoo dispensers
 - Hand lotion (soap and shampoo upon request)
 - Alarm clock
 - Luggage rack
 - Towel service that correlates to the number of pillows (two extra pillows in each room)
 - Coffee pot (ceramic mug (2) rather than plastic), condiment package (sugar, creamer, napkins, stir stick)
 - Night light in bathroom
 - One extra blanket per bed
 - Iron and ironing board available upon request (irons must be equipped with automatic shut-offs)
 - Rollaway beds and cribs available upon request

(4) Zion Lodge Western Cabins

(a) Maximum Required Inventory: 40 units, 239 pillows

(b) Standard. All rooms will have the following minimum amenities:

- Telephone
- Hairdryer
- Glasses (glass, rather than plastic) and ice bucket
- Coffee pot (ceramic mug (2) rather than plastic), condiment package (sugar, creamer, napkins, stir stick)
- Night light in bathroom
- One extra blanket per bed
- Bulk soap and shampoo dispensers
- Hand lotion (soap and shampoo upon request)
- Alarm clock
- Luggage rack
- Towel service that correlates to the number of pillows (two extra pillows in each room)
- Iron and ironing board available upon request (irons must be equipped with automatic shut-offs)

(5) Zion Lodge Suite

(a) Maximum Required Inventory: 6 units, 18 Pillows

(b) Standard. All rooms will have the following minimum amenities:

- Telephone
- Hairdryers
- Glasses (glass, rather than plastic), ice buckets, and wine glasses
- Coffee pot (ceramic mug (2) rather than plastic), condiment package (sugar, creamer, napkins, stir stick)
- Night light in bathroom
- One extra blanket per bed
- Bulk soap and shampoo dispensers
- Hand lotion (soap and shampoo upon request)
- Alarm clock
- Luggage racks
- Towel service that correlates to the number of pillows

- Iron and ironing board available upon request (irons must be equipped with automatic shut-offs)
- Rollaway beds and cribs available upon request
- Refrigerators (refrigerators will be turned off when not in use)

(6) *Front Desk Operations.* A front desk agent must be available for guest services at a minimum from 6:00 AM through 10:00 PM, 7 days a week, including holidays.

B) Food and Beverage Service

(1) General

- (a) *Facility Use.* The Concessioner will not use Concession facilities to provide catering services outside the Area without the prior written approval of the Superintendent.
- (b) *Menus.* All menus will maintain a price range that accommodates the general range of Area visitors. The Concessioner will offer a range of food that provides for a wide variety of visitors, including vegetarian entrees, heart healthy entrees, light eater's entrees, and children's menus. The Concessioner will follow the Area's core menu items (an example core menu is included as Attachment A to this Operating Plan).
- (c) *Food Safety Certification.* The Concessioner will have at least one full-time certified food safety manager on duty during kitchen operations. The Concessioner will ensure that all appropriate employees will have a ServSafe Food Protection Manager certificate from the National Restaurant Association or an equivalent certification from a comparable organization.
- (d) *Liquor Laws.* The Concessioner will have at least one full-time manager that has attended a liquor law training program. The Concessioner will train appropriate employees in the responsible practices of serving and selling alcoholic beverages.
- (f) *Public Health.* All food preparation and dishwashing will conform to U.S. Public Health Code requirements.
- (g) *Product Availability.* Items listed on menus and menu boards will be available during the entire serving period.
- (i) To the extent possible, appropriate, and feasible, the Concessioner will encourage the purchase of regionally grown and environmentally friendly products, e.g., shade grown coffee, Wild Alaska salmon, local or regional conservation meat.
- (j) *Product Specifications.* To the degree possible, the Concessioner will purchase locally and regionally produced products. The Concessioner will use the following specifications as a guide when purchasing products:
 - Meat
 - ◆ Beef USDA Prime and Choice
 - ◆ Pork USDA Number 1
 - ◆ Veal USDA Select and Choice

- ♦ Lamb USDA Prime Choice
- ♦ Poultry USDA Grade “A” for all graded fresh or frozen poultry and poultry products as a minimum specification
- Seafood
 - ♦ Frozen fish must be a nationally distributed brand, packed under continuous inspection of the U.S. Department of Agriculture.
- Dairy
 - ♦ Eggs Fresh USDA or State Graded “A”
 - ♦ Butter USDA Grade “A” (92) Score
 - ♦ Cheese USDA Grade “A” for all graded cheeses
 - ♦ Milk and Milk Products USDA Grade “A” Fresh
- Produce USDA Grade “A”
- Dry Stores Grade “A” Fancy
- Canned Goods Grade “A” Fancy

(2) Zion Lodge Dining Room Operating Standards

- (a) The dining room capacity is currently authorized at 240 seats and the number shall not be expanded without the prior written consent of the Service.
- (b) Management. The Concessioner will ensure that a manager or other key personnel are visible in the restaurant during peak service hours.
- (c) The Lodge dining room will be operated at a facility and service standard level that approximates a casual dining facility designation as classified by the AAA.
- (d) The dining room will provide full menu service for three meals daily.
- (e) Beer and wine alcoholic beverage service will be available for lunch and dinner.
- (f) Guests will be seated and served promptly.
- (g) Special events, receptions, banquets, and groups may be hosted in the restaurant as long as the general public is not displaced.
- (h) Reservations may be accepted for lunch and dinner.

(3) Zion Lodge Snack Bar Operating Standards

- (a) The snack bar will be defined as a quick service facility in accordance with AAA standards.
- (b) The Concessioner will determine the hours and dates of operation and will submit them to the Service for review and written approval prior to the operating season.
- (c) During the operating season, the Concessioner will operate the snack bar for lunch and dinner daily. The Concessioner may operate for breakfast.

- (d) Disposable paper products and plastic utensils will be acceptable. Styrofoam plates and cups are not acceptable.
- (e) The Concessioner is responsible for trash disposal and cleanliness in the patio area.
- (4) *Coffee Bar.* The Concessioner will operate a coffee bar in the lobby of the Lodge. The coffee bar will offer a suitable choice of coffees and associated products at a rate approved by the Service in advance of the coffee bar's initial operation. After operation begins, the coffee bar items may be added to the Area's core menu at the Superintendent's discretion.

C) Merchandising

(1) General

- (a) The Concessioner will feature a broad range of gifts and souvenirs to provide visitors with opportunities to buy inexpensive as well as fine art items.
 - (b) The Concessioner will prominently display items of interpretive value and general value in natural, cultural, and environmental education. Wherever possible and appropriate, the Concessioner will attach informational tags or shelf signs to the sales items to show the item's relationship to Area themes.
 - (c) The Concessioner will actively seek and prominently display handicraft items representing Area and regional themes, including handicrafts and hand crafted items by local and Native American artists. Some handicrafts and hand crafted items offered for sale will focus specifically on the Native American groups who have a cultural association with the Area. The concessioner will physically separate handicrafts and hand crafted items from "western goods" that may appear to the visitor to be Native American in origin.
 - (d) The Concessioner must maintain adequate records to verify the adjustments made to gross receipts related to the sale of United States handicrafts and Native American hand crafted items in accordance with Service policy. These records will provide verification of actual sales through use of a separate cash register key or a similar system. The Concessioner must maintain and provide for review, upon the request of the Superintendent, certification of authenticity of all handicraft and hand crafted items for which it claims exception to franchise fee.
- (2) *Merchandise Plan.* The Concessioner will develop and implement a merchandise plan based on the Area's Gift Shop Mission Statement, and submit the plan to the Superintendent for review and approval within 90 days following the effective date of the contract. The Concessioner will incorporate the merchandise plan into the operation of all merchandise areas. A draft Gift Shop Mission Statement applicable to this concession contract is included as Attachment B to this exhibit.

(3) Items Available for Sale

- (a) *Gifts and Souvenirs.* The gift shop will offer items that have a direct relationship to Zion National Park, its environs, history, or other related natural or cultural topics. This will provide visitors with opportunities to buy memorabilia of their visit while at the same time obtaining information or educational messages related

to the Areas' resources. The concessioner will carry some merchandise exclusive to the location. The Superintendent has the right to review and approve all merchandise sold in the Area. The Superintendent may determine certain items inappropriate and unacceptable for sale.

(b) Convenience Items, Sporting Goods and Recreational Equipment. The Concessioner will carry a selection of convenience items, sporting goods, recreational equipment, and clothing to meet the needs of visitors who may have forgotten items, need additional items for personal safety, or need emergency replacements. The intent of this visitor service is to provide an appropriate selection of items which represents a range of price and quality levels. The Concessioner must request and receive permission from the Service for any sale of insecticides and pesticides.

(c) The Concessioner will not sell:

- Articles that persons of normal taste or sensitivity might consider obscene, offensive, profane, or items that reflect a lack of concern for the environment or a culture, or items of religious overtones.
- Archaeological specimens.
- Plant materials and other natural materials from National Park Service units.
- Certain plant materials (e.g., wild seed mix) that are not native to the National Park Service unit.
- Animal skins or parts of animals obtained illegally or from threatened or endangered species. These items also may not be incorporated into merchandise or used in displays.
- Articles that are mislabeled as to character or origin, or otherwise misrepresented.
- Merchandise that is subject to spoilage and has exceeded the producer's specific "Do not sell after" date.
- Tobacco products.
- Toy firearms.
- Fossils or other inappropriate earth products.
- Items that contain inaccurate or misleading information.
- Items that promote prohibited activities such as collecting plants, insects, rocks, etc.
- Reproduction artifacts or specimens (projectile points, fossil casts, etc.) that are not clearly labeled as such.

(d) Sale of Specimens. Merchandise sales outlets will display the following message at a prominent location within the store, such as at the register: "The natural materials – rocks, plants, animal products – featured in some of our merchandise

come from legally authorized sources obtained outside National Park Service areas.”

D) Step-on Guides

- (1) Step-on guide service is authorized, at rates to be approved by the Service. If offered, the Concessioner will comply with the requirements contained in Attachment C of this Operating Plan.
- (2) Concession employees who serve as guides to visitors will provide accurate and appropriate thematic programs on the area.
- (3) Step-on guides will attend Service interpretive training as made available by the Service.
- (4) The Concessioner will develop and submit to the Superintendent for approval its interpretive program.

E) Transportation

- (1) Transportation to and from trailheads and viewpoints are authorized, at rates and on a schedule as approved by the Superintendent.
- (2) *Vehicle Inspection Requirements.* The Concessioner will inspect each of its vehicles used for this service on a daily basis when in regular use. The Concessioner will retain records of each inspection. The Concessioner will correct all safety defects found before the vehicle resumes service. Such inspections will include, but not be limited to: brakes, steering, tires, doors, interiors (loose seats, loose/broken stanchions, flooring), lights, safety equipment (fire extinguisher, flares or triangles, emergency exits), leaks from gasoline, coolant, or other substances, visual inspections of emissions, wheelchair lifts and associated devices, dents, scrapes, and other body damage that may be considered a hazard to passengers. In addition, all vehicles are subject to random and unannounced inspections by the State of Utah and the Service.
- (3) *Radio Communication Guidelines.* All vehicles transporting visitors will maintain two-way radio contact with concession dispatchers. The Concessioner will ensure that supervisory staff is available to communicate with drivers as necessary.

F) Open Air Tram

- (1) *Area of Operation.* The Concessioner operated open-air tram will provide tours along a three-mile stretch of Zion Canyon between the Zion Lodge and the Temple of Sinawava, making two stops in between.
- (2) *Availability.* The tour will operate during daylight hours between April and October, and will be available only by reservation to organized groups.
- (3) *Rates.* The Superintendent will approve rates for the tour.
- (4) *Interpretive Services.* The tour will be narrated by a concession employee who provides park approved general information on geology, natural resources and cultural history.

G) Non-Personal Interpretive Services

- (1) *Non-Personal Interpretive Items.* The Concessioner will actively pursue a non-personal interpretive program. The Concessioner will explore a wide array of methods for conveying interpretive messages to visitors on Area-related themes and topics such as resource protection, appreciation of Area values, visitor safety, cultural history and Service goals. The Concessioner will provide such interpretive messages in retail, lodging, and food service facilities on a variety of items, including hangtags, receipts, menus, placemats, paper cups, and comment cards. The Superintendent will review and approve all interpretive materials for public distribution.
- (2) *Locations.* The Concessioner will incorporate park interpretive themes into the interior decors at retail, lodging, and food service facilities.
- (3) *Service Messaging* - The Concessioner will make available appropriate areas within the Concession Facilities, both interior and exterior locations, to post Service-generated interpretive and safety messages in various mediums, including bulletin boards.
- (4) *Maps and Guides.* The Concessioner will make Area information available at the lodging reservation desk and retail outlet counters.

8) Reporting Requirements

A) Concessioner Operational Reports

The Concessioner will provide report data in an MS Office-compatible electronic format. Upon request, the Concessioner will provide all supporting documentation for all operational reports to the Service.

- (1) *General*
 - (a) Management Listing. By March 1 of each year, the local general manager will provide the Concessions Management Office with a list identifying key concession management and supervisory personnel by department with their job titles, and office and emergency phone numbers.
 - (b) Incident Reports. The Concessioner will immediately report the following to an Area ranger or to the Zion National Park Dispatch Center at (435) 772- 0178.
 - Any fatalities or visitor-related incidents that could result in a tort claim to the United States or the Concessioner.
 - Any motor vehicle accident resulting in property damage, personal injury, or death.
 - Any other incident resulting in personal injury (requiring more than minor first aid treatment) or property damage exceeding \$300.
 - All suspected or known criminal violations.
 - Other incidents that may adversely affect Area resources (e.g., fires, hazardous material spills) or violate state and federal law.
 - (c) Human Illness Reporting. The Concessioner is to promptly report information on all human communicable illnesses, whether employees or guests, to Service

dispatch. Initial reports may be made by telephone. A suspected outbreak of human illness in two or more persons with common symptoms that could be associated with contaminated water or food sources or other adverse environmental conditions. When in doubt, report the illness. The US Public Health Service Sanitarian may inspect this information, along with other information received.

(2) Financial, Visitor Use and Operational Statistics

- (a) The Concessioner will maintain a management information system to provide the Service with monthly visitor use, operational statistics and financial information for each revenue-producing outlet by the 15th day of the following month. The statistics and information provided will be in a spreadsheet format agreeable to the Concessioner and the Service. In the event that a format cannot be agreed upon by both parties, the Service will specify the format. The following data will be included in the report:
- (b) Overnight Lodging – Zion Lodge
 - Rooms available and occupied and average daily room rate
 - Market segmentation (i.e., individual leisure, tours, group, conference)
 - Total guest count
 - Average length of stay
- (c) Food and Beverage – Zion Lodge
 - Number of covers served by breakfast, lunch, and dinner with corresponding revenues by food service establishment
- (d) Merchandising
 - Revenue and number of transactions
 - Revenue by merchandise category (i.e., local handicraft, Native American handicraft, gifts and souvenirs, apparel, grocery, pre-packaged food)
- (e) An annual summary report will be due 60 days after the end of the calendar year.

B) Concessioner Financial Reporting

In addition to the annual financial report (AFR) required in the Contract, the Concessioner must submit a Monthly Financial Report. Payments due to the Service will be made in accordance with Applicable Laws and best available technology feasible for the purpose.

C) Summary of Initial and Recurring Due Dates

The following table summarizes the preceding reporting requirements and details other reports, plans, payments, and inspections that will be the responsibility of the Concessioner. The Contract Maintenance Plan requires reports in addition to the reports listed below, which are listed and summarized in the Maintenance Plan.

SUMMARY INITIAL AND RECURRING DUE DATES			
Title	Schedule	Due Date	Reference
Initial Requirements			
Balance Sheet	Initial	Within 90 days of effective date of the Contract	Contract, Sec. 14 (c) (1)
Environmental Management Plan	Initial	Within 60 days of effective date of the Contract	Contract, Sec. 6 (b) (1)
Lost & Found Program	Initial	Within 30 days of effective date of the Contract	Operating Plan, Sec. 2 E (3)
Fire Inspection	Initial/ Annually	Within 30 days of effective date of the Contract	Operating Plan, Sec. 2 D (5)
Risk Management Plan	Initial/ Annually	Within 60 days of effective date of the Contract; Updates due by November 30 of preceding year	Operating Plan, Sec. 2 G; Contract 3(c)
Merchandise Plan	Initial	Within 90 days of effective date of the Contract	Operating Plan, Sec. 7 C (2)
Employee Transportation Plan	Initial	Within 90 days of effective date of the Contract and as amended	Operating Plan, Sec. 2 F (3)
Hiring Practices	Initial	Within 90 days of effective date of the Contract and as amended	Operating Plan, Sec. 2 F (5)
Physical Security Plan	Initial	Within 90 days of effective date of the Contract	Operating Plan, Sec. 4 E
Employee Housing Lease Agreement, and Employee Housing Rules & Regulations	Initial	Within 90 days of effective date of the Contract and as amended	Operating Plan, Sec. 2 E
Annual			
Hours of Operation	Annually	90 days prior to proposed date.	Operating Plan, Sec. 2 A
Management Listing	Annually	March 1	Operating Plan, Sec. 8 A (1)a
Employee Handbook	Annually	All handbooks will be provided 30 days prior to release; updated copies will be provided annually	Operating Plan, Sec. 2 F (6) (f)
Annual Rate Change	Annually	At least 60 days prior to anticipated implementation dates.	Operating Plan, Sec. 2 B (2)
Annual Financial Report	Annually	Not later than 120 days after the last day of the Concessioner's fiscal year	Contract, Sec. 14(b)
Annual Concessioner Financial, Visitor Use and Operational Statistics Report	Annually	60 days after end of calendar year	Operating Plan, Sec. 8 A (2) (e)
Monthly			
Monthly Concessioner Financial, Visitor Use and Operational Statistics Report	Monthly	By the 15th day of the following month for each month of operation	Operating Plan, Sec.8 A (2)
Comment Card Summary	Monthly	By the 15 th of the following month	Operating Plan Sec. 2 D (6)
Franchise Fee	Monthly	By the 15 th day of the following month of each month of operations	Contract, Sec. 11 (b); Operating Plan Sec. 8 B

SUMMARY INITIAL AND RECURRING DUE DATES			
Title	Schedule	Due Date	Reference
Monthly Safety Report	Monthly	By the 15 th day of the following month of each month of operations	Operating Plan, Sec. 2 G
Miscellaneous Reports and Data	As required	The Director from time to time may require the Concessioner to submit other reports and data regarding its performance under the contract or otherwise, including, but not limited to, operational information.	Contract, Sec 15 (c)

Effective , 200__

By: _____

Superintendent

Zion National Park

EXHIBIT B ATTACHMENT TABLE OF CONTENTS

<u>ATTACHMENT</u>	<u>TITLE</u>	<u>REFERENCE</u>
A.	Area Core Menu Guidelines	Section 2) B) (1) (b)
B.	Gift Shop Mission Statement	Section 7) C) (2)
C.	Step-On Guide Service	Section 7) D)

Zion National Park Core Menu Guidelines

Breakfast

Eggs, hashbrowns and toast
Oatmeal

Appetizers

Buffalo Wings

Lunch

Hamburger
Cheeseburger
Vegetarian sandwich
Half Sandwich and Soup

Dinner

Chicken entree
Trout entree
Pork entree
Choice Beef Steak
 Add Skewer of grilled Shrimp
Pasta entree

Dessert

Cheesecake

Café/Snack Bar

Grilled Chicken Sandwich
Turkey & Cheese Sub

Coffee Shop

Cappuccino
Chamomile (Herbal) Tea
Coffee and decaffeinated Coffee
Fountain Drinks
 Coke; Diet Coke; Root Beer; Orange; Sprite,
Lemonade
Milk (2%)

CONTRACT EXHIBIT B ATTACHMENT B

ZION NATIONAL PARK

GIFT SHOP MISSION STATEMENT

Park Purpose

The purposes of Zion National Park are to:

- Preserve the dynamic natural process of canyon formation as an extraordinary example of canyon erosion;
- Preserve and protect the scenic beauty and unique geologic features: the labyrinth of remarkable canyons, volcanic phenomena, fossiliferous deposits, brilliantly colored strata, and rare sedimentation;
- Preserve the archaeological features that pertain to the prehistoric races of America and the ancestral Indian tribes;
- Preserve the entire area intact for the purpose of scientific research and the enjoyment and enlightenment of the public; and
- Provide a variety of opportunities and a range of experiences, from solitude to high use, to assist visitors in learning about and enjoying park resources without degrading those resources.

Mission Statement

The mission goals of Zion National Park are to:

- Provide park visitors educational and recreational opportunities that foster an appreciation of Zion and its resources.
- Ensure that visitor impacts do not impair resources.
- Maintain the resource, including plant and animal communities, at healthy and viable levels consistent with natural processes.
- Manage cultural and physical resources to ensure long-term integrity.
- Ensure that the built environment provides for safe visitor and staff uses in a sustainable and cost-effective manner.
- Ensure that the organization is responsive to employee needs, recognizing the contribution of each individual.
- Foster mutually supportive partnerships with private organizations and individuals to achieve visitor use and resource protection goals.

Park Significance Statements

Statements of significance clearly define the most important things about the park's resources and values. They serve as a foundation for developing primary themes and desirable visitor experiences.

- Geology - Zion National Park: nowhere else on earth do the three forces of deposition, uplift, and erosion come together in such intimate and scenic fashion.
- Biologic Diversity, Natural Processes, and Wilderness - Zion National Park contains many diverse organisms. It preserves ongoing natural processes—geological (on-going canyon formation) and biological—which we deem inherently valuable. Zion’s many diverse and scientifically valuable resources are located in a wild land with few modern, man-made improvements. As such, they provide outstanding opportunities for preservation, study, and enjoyment.
- Human Use - Zion National Park contains a record of important, past human activity which provides guidance on the sustainable future use of this and other lands.

Park Interpretive Themes

Interpretive theme statements convey park significance. Primary parkwide interpretive themes are the key ideas through which the park’s nationally significant resource values are conveyed to the public. They connect park resources to the larger ideas, meanings, and values of which they are a part. They are the core component on which the interpretive program is based. Each primary theme will connect to a number of specific stories, or subthemes. These elements are helpful in designing individual services, ensuring that the main aspects of the primary themes are addressed.

- Geology - Zion National Park: nowhere else on earth do the three forces of deposition, uplift, and erosion come together in such intimate and scenic fashion.
 - Park geology and morphology span the last 260 million years of time from the deposition of the Kaibab formation, Zion’s oldest, to lava flows during the recent past one million years, including landslides and earthquakes.
 - Within its many geologic formations, Zion hides evidence of past life—from mountain-top fossilized seas shells to dinosaur footprints, from single ferns to petrified log-jams.
- Biologic Diversity, Natural Processes, and Wilderness - Zion National Park contains many diverse organisms. It preserves ongoing natural processes—geological (on-going canyon formation) and biological—which we deem inherently valuable. Zion’s many diverse and scientifically valuable resources are located in a wild land with few modern, man-made improvements. As such, they provide outstanding opportunities for preservation, study, and enjoyment.
 - Zion is noted for its geographical setting—located on the extreme western edge of the Colorado Plateau, adjacent to both the Great Basin and Mojave Desert physiographic provinces.
 - Zion’s diverse topography, climate, and elevation (ranging from 3700 to over 8800 feet elevation) and geography have played an important role in producing an incredible variety of habitats and life forms. This variety occurs in a relatively

small park area (147,000 acres). Also of special note is the number of year-round streams in this desert environment.

- Wilderness is its own reason for existence. It provides a time capsule of processes and resources which should, to the greatest degree possible, be managed and preserved unencumbered by human intervention.
- Human Use - Zion National Park contains a record of important, past human activity which provides guidance on the sustainable future use of this and other lands.
 - The record of past human use includes archaeological and archival evidence of several prehistoric and historic North American cultures—paleoindian, ancient Puebloan, Fremont, Southern Paiute, U.S. pioneer, and early National Park Service.
 - Contemporary human use of Zion National Park is to protect it as sanctuary with provisions for controlled recreational and scientific use.
 - The desired future of the park is that it continue its status as sanctuary, but with an increased awareness on the part of world citizens of their share in the responsibility of such protection. Future improvements to park infrastructure will serve as examples of sustainable design and construction.

Sale of Gifts, Souvenirs and Other Merchandise

The sale of gifts, souvenirs and other merchandise within Zion National Park is considered necessary and appropriate since these items enhance visitor understanding and appreciation of the park mission and values and complement visitor experiences. Information tags on merchandise foster awareness about park resources and values. Souvenirs provide tangible keepsakes to remind visitors of park experiences.

Objectives for the Sale of Merchandise

The objectives for the sale of merchandise, including gifts, souvenirs, apparel, outdoor recreational supplies, and visitor convenience items in Zion National Park are as follows:

- The primary selection of gifts and souvenirs relate to the park and its resources.
- Merchandise is attractive, tasteful and meets Service standards.
- Regionally or locally handcrafted or manufactured merchandise is preferred, consistent with park themes.
- Interpretive information in displays and on tags address park themes.
- Information is provided to help visitors have a safe visit and minimize impact on park resources from their activities.
- Quality items are available at a range of prices.
- Only plants and animals found within the park are depicted in merchandise.
- Development of unique theme-related items sold only in Zion National Park is encouraged.
- Some sales items, including logo items, are specific to Zion Lodge.
- Emphasis is on quality gifts, souvenirs and apparel appropriate for the clientele and relating to a full range of park themes.

- Convenience items are limited; however visitors are able to meet their essential needs for convenience items.
- Sales staff is knowledgeable about the merchandise as well as park resources and park activities, and assists visitors by answering questions and providing information about the park and surrounding area.

Attachment C

Step-On Guide Service

Level 3 Requirements

	Level 3: Small Group Interpretive Service
Group Size	Groups of 15 or less (including leader)
Activity	Interpretive services escorting customers on specifically identified trails
CUA	Required
CUA Fees	\$250 for permit – permit valid until December 31 the year of issue
Entrance Fees	Commercial tour fees do not apply. Individuals participating in the activity will pay the individual entrance fee. Annual passes accepted: National Park Pass, Golden Eagle, Golden Age and Golden Access, & Zion National Park Pass. However passes are non-transferable & are only valid for the owner of the pass & immediate family members.
Trails – access is not allowed within the park's recommended wilderness	<ul style="list-style-type: none"> •Pa'rus •Court of the Patriarchs •Weeping Rock •Lower, Middle, & Upper Emerald Pools •Kayenta •West Rim to Angels Landing •West Rim from Scout's Lookout north for ¼-mile •Paved portion of Riverside Walk •Narrows to Mystery Canyon Waterfall (¼-mile north of Riverside Walk) •Canyon Overlook •Watchman •Weeping Rock trailhead to mouth of Echo Canyon (not into canyon) •Weeping Rock trailhead to mouth of Hidden Canyon (not into canyon) •Sandbench (Nov.-Mar.)
Parking	April through October the Visitor Center is the primary parking area for vehicles, where groups can board a shuttle to access trails within the canyon. All vehicles must comply with Red Permit policy. When the shuttle is not in operation November through March, vehicles may continue up canyon, park in designated parking areas & load & unload
Requirements	<ul style="list-style-type: none"> •Liability Insurance •Current First Aid & CPR •Company ID on vehicle

EXHIBIT C CONCESSION FACILITIES

LAND ASSIGNED

Land is assigned in accordance with the boundaries shown on the map on the following page.

REAL PROPERTY IMPROVEMENTS ASSIGNED

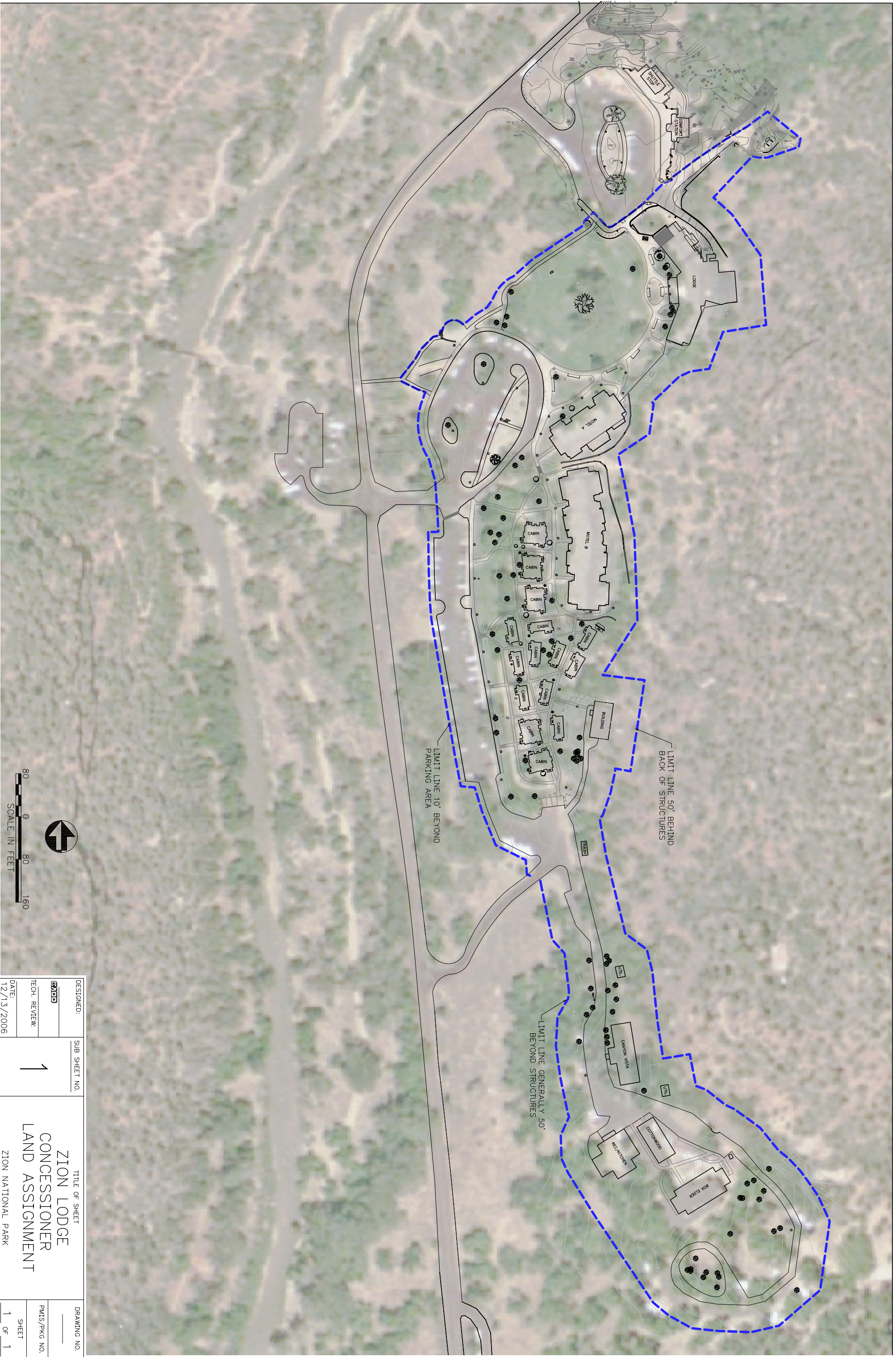
The following real property improvements are assigned to the Concessioner for use in conducting its operations under this Contract.

FMSS #	Building Description	SF	Date Built	Historic?	Insurance	
					Replacement	Cost
65758	B225 Motel A	17,118	1985		\$	2,653,186
65759	B226 Motel B	32,192	1985		\$	4,463,578
65760	B224 Main Zion Lodge	22,992	1966		\$	2,938,561
101362	HS-210 Deluxe Quadraplex "Western" Cabin (B508-B511)	1,496	1929	Y	\$	191,732
65761	HS-211 Deluxe Duplex "Western" Cabin (B512-B513)	756	1927	Y	\$	126,002
101363	HS-212 Deluxe Duplex "Western" Cabin (B514-B515)	756	1927	Y	\$	126,002
101367	HS-213 Deluxe Duplex "Western" Cabin (B516-B517)	756	1927	Y	\$	126,002
101368	HS-214 Deluxe Duplex "Western" Cabin (B518-B519)	756	1927	Y	\$	126,002
101369	HS-215 Deluxe Duplex "Western" Cabin (B520-B521)	756	1927	Y	\$	126,002
101370	HS-216 Deluxe Quadraplex "Western" Cabin (B522-B525)	1,496	1927	Y	\$	191,732
101371	HS-217 Deluxe Quadraplex "Western" Cabin (B526-B529)	1,502	1929	Y	\$	191,732
101372	HS-218 Deluxe Duplex "Western" Cabin (B530-B531)	756	1929	Y	\$	126,002
65762	HS-206 Deluxe Quadraplex "Western" Cabin (B500-B503)	1,502	1929	Y	\$	191,732
101373	HS-207 Deluxe Quadraplex "Western" Cabin (B504-B507)	1,496	1929	Y	\$	191,732
101374	HS-219 Deluxe Duplex "Western" Cabin (B532-B533)	756	1927	Y	\$	126,002
101375	HS-220 Deluxe Duplex "Western" Cabin (B534-B535)	756	1927	Y	\$	126,002
101379	HS-221 Deluxe Duplex "Western" Cabin (B536-B537)	756	1927	Y	\$	126,002
101381	HS-222 Deluxe Duplex "Western" Cabin (B538-B539)	756	1927	Y	\$	126,002
65764	HS-208 Overlook Dormitory ("Women's Dorm")	4,917	1927	Y	\$	632,024
65765	HS-209 Canyon Vista Dormitory ("Men's Dorm")	4,970	1937	Y	\$	581,978
65766	B118 Cottonwood Employee's Dormitory ("Chalet Dorm")	2,844	1954		\$	322,481
65769	B223 Box Elder Dormitory ("New Dorm")	10,162	1986		\$	1,934,131
65770	B204 Recreation Hall, Offices	5,207	2001		\$	608,973
65774	HS-86 Machine Shop (B550) Birch Creek	1,346	1926	Y	\$	23,756
65776	HS-205 Storage Building (former Bake Shop, moved 1994)	315	1931	Y	\$	6,941
101387	HS-87 Maintenance Shed (former Mattress Shed, B552)	363	1929	Y	\$	15,081
TOTALS:		117,478			\$	16,399,370

This exhibit will be revised as appropriate during the term of the Contract.

Approved, effective _____, 20____

By: _____
Director, Intermountain Region



DESIGNED:	SUB SHEET NO.	TITLE OF SHEET	DRAWING NO.
	1	ZION LODGE CONCESSIONER LAND ASSIGNMENT	1 of 1
TECH. REVIEW:			
DATE:			
12/13/2006			



40 0 40 80
SCALE IN FEET

DESIGNED:

GADD

TECH. REVIEW:

DATE:
12/13/2006

SUB SHEET NO.

2

TITLE OF SHEET

**ZION LODGE
CONCESSIONER
LAND ASSIGNMENT**
BIRCH CREEK HISTORIC DISTRICT
ZION NATIONAL PARK

DRAWING NO.

PMIS/PKG NO.

SHEET

1 OF 1

EXHIBIT D**ASSIGNED GOVERNMENT PERSONAL PROPERTY**

Government personal property is assigned to the Concessioner for the purposes of this CONTRACT as follows:

Framed Historic Photo Copies :	Motel Units	Western Cabins
Beehives		1
Bridge Mountain		3
Bridge and Car	15	4
Stone Bridge	17	3
Wood Bridge	17	7
Checkerboard Mesa		4
Great White Throne	19	10
Horseback Riders		5
Horse Carriage		1
Lodge and Car	3	2
Lodge and Flag	14	3
Lodge Winter	17	5
Old Car and Tunnel		5
River Winter		6
Rock		5
Switchbacks		3
Switchback Road		3
Three Patriarchs		10
3 Patriarchs, 2 Cars	2	1
Virgin River	31	6
Waterfall		9
Watchman	18	5
Watchman, Car, and Man	17	5
Zion Canyon		4
Zion Canyon and Man		5
Zion Farms		1
Zion Meadow		4
Total	170	120

Approved, effective _____, 20_____

By: _____

Director, Intermountain Region

EXHIBIT E
DRAFT MAINTENANCE PLAN

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INTRODUCTION

This Maintenance Plan between _____ (hereinafter referred to as the “Concessioner”) and the National Park Service, (hereinafter referred to as the “Service”) will serve as a supplement to Concession Contract CC-ZION003-09 (hereinafter referred to as the “Contract”). Zion National Park will be referred to as "Area" and the United States Department of the Interior will be referred to as "DOI". It sets forth Facility Management responsibilities of the Concessioner and the Service with regard to those lands and facilities within Zion National Park that are assigned to the Concessioner for the purposes authorized by the Contract.

In the event of any apparent conflict between the terms of the Contract and this Maintenance Plan, the terms of the Contract, including its designations and amendments, will control.

This plan shall remain in effect until superseded or amended. It will be reviewed annually by the Superintendent in consultation with the Concessioner and revised as determined necessary by the Superintendent of Zion National Park. Revisions may not be inconsistent with the terms and conditions of the main body of this Contract. Revisions must be reasonable and in furtherance of the purposes of this Contract. Revisions may also reflect changes to Service guidelines regarding Facility Management.

1) General Standards for Concessioner Assigned Facilities

Pursuant to the Contract, the Concessioner must manage the Concession Facilities in a manner that is acceptable to the Service. This Maintenance Plan defines the necessary standards and the Facility Management relationship between the Concessioner and the Service. Both the Concessioner and the Service have specific responsibilities as outlined in the Contract and this plan. Importantly, the Contract prohibits the Concessioner from constructing or installing any Capital Improvements, as that term is defined in Applicable Laws, including, without limitation, 36 C.F.R. § 51.51, that may otherwise have allowed the Concessioner to obtain a leasehold surrender interest in the Concession Facilities. The Concessioner and the Service must meet their obligations under the Contract, including this Maintenance Plan, consistent with the prohibition on the Concessioner obtaining any leasehold surrender interest.

The Zion Lodge complex is a National Landmark District. It includes forty Western Cabins and several other buildings listed in the National Register of Historic Places. Under these designations, the Concessioner must maintain the Concession Facilities according to the Secretary of the Interior’s Standards for Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings, the Secretary of the Interior’s Standards for the Treatment of Historic Properties with Guidelines for the Treatment of Cultural Landscapes and the Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings. The Secretary of the Interior’s Standards are available at www.cr.nps.gov/hps/tps/secstan1.htm.

2) Definitions

In addition to all the defined terms contained in the Contract and all other Exhibits, and in 36 CFR 51, the following definitions apply to this Maintenance Plan.

- (1) **Asset** – Real or Personal Property that the NPS desires to track and manage as a distinct identifiable entity. It may be a physical structure or grouping of structures,

land features, or other tangible property that has a specific service or function such as a farm, cemetery, campground, marina, or sewage treatment plant. The term “Asset” also applies to movable items such as vehicles and equipment. Additionally, an Asset is a uniquely identifiable element with a financial value against which Facility Management activities can be recorded. Assets may share a hierarchical relationship wherein a building is defined as an Asset and elements within the building also are defined as Assets in a “parent-child” management and reporting relationship that usually occurs in a Computerized Maintenance Management System (CMMS).

- (2) **Component Renewal/Replacement** – The planned replacement of a component or system that will reach the end of its useful life based on condition and life cycle analysis within the facility’s lifetime. Examples of component renewals may include roof systems, utility components, pavement, and other major dynamic equipment. Additionally, renewal includes the deconstruction of the existing system or system components and replacement with a new system of equal capability and performance. These actions recur on a periodic cycle of greater than seven years and may include Statutory Mandated Corrective Measures necessary to attain code and regulatory compliant asset infrastructure and systems.
- (3) **Cyclic Maintenance** – Planned work activities that reoccur on a periodic cycle of greater than one year and less than or equal to seven years to sustain the serviceable life of an asset. Typical projects may include, but are not limited to, painting buildings, overhauling engines, and refinishing hardwood floors.
- (4) **Deferred Maintenance** – Facility Maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed. Continued deferment of Facility Maintenance will result in deficiencies.
- (5) **Facility Condition Index (FCI)** – A measure of a facility’s relative condition at a particular point in time to other similar facilities. The FCI rating is a ratio of the cost of repair of the assets’ deficiencies (Deferred Maintenance, Component Renewal/Replacement that has been deferred, and immediate personnel hazard life safety repairs) divided by the Current Replacement Value (CRV) for the asset.
- (6) **Facility Maintenance** – The day-to-day activities as well as the planned work required to preserve Concession Facilities in such a condition that they may be used for their designated purpose over an intended service life. Facility Maintenance includes Preventive Maintenance, Cyclic Maintenance, and Repair. Facility Maintenance does not include Facility Operations, Component Renewal/Replacement or Capital Improvements. Facility Maintenance includes “routine, operational” maintenance.
- (7) **Facility Management** – Those activities of the Concessioner, including Facility Operations, Facility Maintenance, and Component Renewal/Replacement, necessary to maintain the Concessioner Facilities to the satisfaction of the Director pursuant to Section 9 of the Contract.
- (8) **Facility Operations** – Work activities performed on a recurring basis throughout the year that meet daily operational needs. Typical work performed under Facility

Operations includes janitorial and custodial services (housekeeping), snow removal, operation or purchase of utilities, groundskeeping, etc.

- (9) **Historic Structure** – Includes districts, sites, buildings, structures, and objects as identified in the National Historic Preservation Act that have been listed in or eligible for listing in the National Register of Historic Places.
- (10) **Personal Property** – Manufactured items of independent form and utility including equipment and objects solely for use by the Concessioner to conduct business. Personal property includes, without limitation, removable equipment, furniture and goods, necessary for Concessioner operations under the Contract. Personal Property is identified in the Asset inventory as either Concessioner property or Government assigned property.
- (11) **Preventive Maintenance (PM)** – Regularly scheduled periodic maintenance activities (within a year) on selected equipment, typically includes inspection, lubrication and minor adjustment.
- (12) **Repair** – Work to restore damaged or worn-out property to a normal operating condition. Repairs are curative, while Cyclic and Preventive Maintenance are preventative.
- (13) **Replacement** – Exchange or substitution of one asset, for another that has the capacity to perform the same function.
- (14) **Statutory Mandated Corrective Measure** – Modifications required to existing Assets to meet current regulatory and governmental requirements such as regulations and codes that may not have existed at the time of construction or acquisition. Mandated corrective measures include, without limitation, Americans with Disabilities Act (ADA) requirements, environmental requirements, and life/safety upgrades.

3) Concessioner Responsibilities

A) General

The Concessioner must perform all Facility Management activities to all Concession Facilities. The Concessioner must correct any deficiencies and complete this work on a timely basis to achieve the basic goals described in the most current Concession Management Guidelines, relative to all services required and authorized under the Contract.

- (1) *Maintenance Funding Source and Reporting Diagram.* Below is a diagram that summarizes how maintenance activities will be organized and their link to fund sources and reporting mechanisms, per this Maintenance Plan. The diagram outlines certain Concessioner performed and funded activities related to Facility Management, although not all have contractually required minimum amounts. There may be additional activities performed by the Service.

	Property	Activity		Fund Source	Planning & Reporting
FACILITY MANAGEMENT	REAL PROPERTY	FACILITY MAINTENANCE	PREVENTIVE (PM)	FACILITY MAINTENANCE EXPENSE* (contractually required amount)	Annual Facility Maintenance Expense Plan
			CYCLIC (Recurring < 7 Years)		Periodic Preventive Maintenance Report (CMMS)
			REPAIR		Multiyear Real Property Repair and Maintenance Reserve Plan (and Monthly Reports)
		COMPONENT RENEWAL/REPLACEMENT (Recurring > 7 Years)		REPAIR AND MAINTENANCE RESERVE* (contractually required amount)	Annual Financial Report (AFR)
		FACILITY OPERATIONS	Custodial	OPERATING EXPENSES	Pesticide Request Form / Use Log
			Housekeeping		Personal Property Replacement Plan
			Grounds keeping		
			Waste		
	PERSONAL PROPERTY	All Concessioner Activity		CONCESSIONER PERSONAL PROPERTY BUDGET	

*Minimum Amounts Specified in Contract

(2) Standards of Performance for Facility Management

(a) The Concessioner will conduct all Facility Management activities in compliance with NPS standards, DOI and NPS Asset Management Plans, manufacturer recommendations and/or specifications, and all Applicable Laws. In the event of a conflict between DOI/NPS Asset Management Plans, Applicable Laws, and the manufacturer's specifications, Applicable Laws will prevail.

(b) The Service approves equipment, materials, installations and procedures relating to structural fire prevention, protection and response. The Service will resolve any conflicts between codes or standards.

(3) Environmental Practices. The Concessioner will conduct Facility Management activities in a manner that has minimal environmental impacts. In all areas, the Concessioner will incorporate sustainable design practices to the maximum extent practical. The Concessioner will encourage companies and businesses it does business with, to provide cleaner technologies and safer alternatives to toxic and hazardous materials and to develop innovative technology.

(a) *Preventive Maintenance:* The Concessioner will use Preventive Maintenance to prevent environmental impacts before they occur.

(b) *Energy and Water Efficiency.* The Concessioner will consider energy and water efficiency in all Facility Management practices and integrate energy and water conserving measures whenever feasible. The Concessioner will install energy and water efficient products as practical, to replace less efficient products and to minimize energy and water consumption.

(c) *Equipment and Materials.* Where feasible and available, the Concessioner will use products or materials that are less toxic, contain post-consumer recycled content, are naturally or minimally processed products, and use other materials that have additional environmentally preferable attributes. The Concessioner will minimize use of hazardous chemicals in its operations.

- (d) *Contractors.* The Concessioner will encourage companies and businesses it does business with to provide cleaner technologies and safer alternatives to toxic and hazardous materials and to develop innovative technology.
- (e) *Purchasing.* The Concessioner must purchase environmentally friendly cleaners and other products whenever appropriate.
- (f) *Sustainable Design.* The Concessioner will incorporate sustainable design practices to the maximum extent practical. These practices must be consistent with the current Service guidelines, including but not limited to, National Park Service Guiding Principles of Sustainable Design (September 1993) and other approved guidance as provided to the Concessioner.
- (g) *Universal Design.* The Concessioner will incorporate universal design practices to the maximum extent practical.

B) Environmental and Cultural Compliance. Many of the Facility Management activities conducted by the Concessioner are subject to compliance processes under the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), and other laws that allow the Service to ensure that all activities within the Area meet the requirements of Applicable Laws for natural and cultural resource protection.

- (1) *Exceptions.* The Concessioner may conduct Facilities Operations and certain Facility Maintenance (as agreed to by the Service and Concessioner) without further environmental and cultural compliance. These activities are covered by categorical exclusions for which no documentation is necessary.
- (2) *Project Review Process.* If the Concessioner proposes to undertake any Facility Management activity that will result in a modification to Concession Facilities, the Concessioner must follow the Zion National Park Project Review Process. This applies to both historic and non-historic structures.
- (3) *Categorical Exclusions.* Some activities are covered by categorical exclusions that require documentation under current Service policy.
- (4) If any exceptions to categorical exclusions under current Service policy apply, then an environmental assessment must be undertaken at the expense of the Concessioner under the direction of the Service.
- (5) *Historic Structures.* The Concessioner will perform repairs and maintenance of historic structures consistent with the *Secretary of the Interior's Standards for Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings*, the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for the Treatment of Cultural Landscapes*, *The Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings*, and with the National Historic Preservation Act of 1966, as amended. Additionally, the Concessioner will perform repairs and maintenance to maintain the historic character of the Bake Shop building (#HS-205 in Exhibit C) and Mattress Shed (#HS-87 in Exhibit C).

(6) Non-Historic Structures.

- (a) The Concessioner must work with the Service to develop a Programmatic Compliance Agreement within one year of the Contract effective date, which will generate appropriate NEPA Compliance approval for routine or frequent activities involving non-historic structures. This will likely include most Facility Maintenance Activities and certain Component Renewal/Replacement activities. The Concessioner and the Service will update this plan as needed.
- (b) NHPA compliance may also be required for alterations to non-historic structures located in the historic district. NHPA compliance may be covered under the Programmatic Compliance Agreement, but the Service will make this determination on a case-by-case basis.

C) Computerized Maintenance Management System (CMMS).

- (1) The Concessioner must fully develop, implement, and administer a CMMS and use it to track the condition and value of Concession Facilities in accordance with this Maintenance Plan and upon direction from the Service. The Concessioner must use the CMMS to record all Facility Maintenance and Component Renewal/Replacement activity performed on Concession Facilities. The Concessioner and the Service will jointly identify specific functional and technical requirements for the CMMS, with the Service having final approval.
- (2) The CMMS must identify and report the inventory of all Assets assigned to the Concessioner in accordance with Level II and Level III for “Services” of the American Society of Testing and Materials (ASTM) Designation E 1557 Standard Classification for Building Elements and Related Sitework Uniformat II.
 - (a) Work Activity Included in CMMS
 - Facility Maintenance
 - ◆ Cyclic Maintenance ≤ 7 Year Cycle
 - ◆ Preventive Maintenance
 - ◆ Repair
 - Component Renewal/Replacement
 - (b) Work Activity included in CMMS at the Concessioner’s discretion
 - Facility Operations
 - ◆ Custodial
 - ◆ Housekeeping
 - ◆ Grounds keeping
 - ◆ Kitchen grease and hazardous material and waste management
- (3) The Concessioner must track CMMS information and provide reports to the Service based upon a geographic hierarchy, of which an example is provided below:
 - Park wide

- ◆ Developed Area
 - Operational Location
 - . Building number
 - . Component (Uniformat II, Level II, and Level III for “Services”)
- (4) The Concessioner must provide the Service with maintenance information from the CMMS on a frequency dictated by Service needs (at a minimum on an annual basis) in an electronic format defined by the Service. Information may include, but is not limited to:
 - (a) Asset Inventory information and current Facility Condition Index
 - (b) Outstanding or deferred Facility Maintenance and Component Renewal/Replacement items and estimated costs to correct
 - (c) Dollars expended (by asset) on Facility Maintenance and Component Renewal/Replacement items
 - (d) The CMMS must be able to compute the Facility Condition Index
- (5) The Service will work with the Concessioner to define the specific requirements including data export formats, required fields and data structure, etc. during implementation of the CMMS.

D) Plans, Reports and Inspections

This Maintenance Plan requires a number of plans and reports. For the purposes of this document, the term “plan” will refer to written materials that outline the Concessioner’s expected actions and expenses for a future period. The term “report” refers to written materials that document Concessioner accomplishments and expenses during a defined historical period.

- (1) *Annual Inspections.* The Concessioner must conduct reviews and inspections of Concession Facilities to determine necessary maintenance work and to verify its compliance with Applicable Laws.
- (2) *Annual Facility Maintenance Expense Plan.* The Concessioner must provide the Service with an updated Annual Facility Maintenance Plan that covers all Concession Facilities and presents the planned Facility Maintenance activities for the next calendar year. This plan must include information sufficient to document the minimum expenditures required by Section 9(a) of the Contract. The Concessioner must deliver the plan to the Superintendent on or before November 15. The Superintendent will provide a written response within 90 days after receipt. This plan must include the following elements:
 - (a) *Inspection Procedures and Schedules.* The Concessioner will include an inspection plan that describes how the Concessioner will ensure that the Concession Facilities are maintained properly and that deferred maintenance items are corrected in a timely manner.

- (b) *Preventive Maintenance (PM) Procedures and Schedules.* The Concessioner will develop the PM procedures and schedules and include them in the plan. At a minimum, PM procedures and schedules will include detailed PM schedules for each building system (including, but not limited to, roofs, building envelopes and mechanical equipment) and adhere to manufacturers' recommendations. The PM procedures and schedules will adhere to manufacturers' recommendations. The PM procedures must describe the tasks that the Concessioner expects to perform during the next calendar year and those that it performed in the previous calendar year for comparative purposes.
- (c) *Cyclic Maintenance Schedules.* The Concessioner will include programmed cyclic maintenance items in the report. Typical items in this category include activities that the Concessioner executes at a frequency less than seven years, such as replacing carpet and paint.
- (d) *Repair Items*
- Scheduled Repair Items The Concessioner must develop a plan to schedule known repair requirements during the year, including those that may have been deferred.
 - Unscheduled Repair Items The plan must include a service call procedure and method to prioritize service calls for unscheduled maintenance items. Note: The Concessioner may perform emergency repairs without prior Service approval, with proper documentation to follow within one business day.
- (e) *Projected Expenditures.* The Service and the Concessioner will mutually agree upon the required level of detail for reporting projected expenditures. Total projected expenditures should exceed the contractual requirements presented in Section 9(a) of the Contract, which establish a minimum.
- (f) *Reported Expenditures.* In addition to the above information, the plan must include data from the previous year for each building based upon the reporting hierarchy described previously. The Concessioner must clearly document the PM, Cyclic Maintenance, and Scheduled and Unscheduled Repair activities that the Concessioner accomplished during the prior year and allow the Service to review these in conjunction with those activities that the Concessioner plans for the coming year. Indirect costs may not exceed local industry standards for similar expenditures. The Service will review the total reported expenditures for the prior year, in conjunction with the Annual Financial Report, to confirm that the Concessioner met the contractual requirements presented in Section 9(a) of the Contract.
- (3) *Multi-Year Real Property Repair and Maintenance Reserve Plan.* For the Repair and Maintenance Reserve obligation in Section 9(c) of the Contract, the Concessioner will provide the Service with an updated "Repair and Maintenance Reserve Plan" that covers all Concession Facilities. The Concessioner will update the Multi-Year Real Property Repair and Maintenance Reserve Plan as requested by the Service but no less frequently than once per year. The Concessioner will deliver the plan for the

following year to the Superintendent on or before November 15 with the exception of the first plan, which will be due within 6 months of the effective date of the Contract. The Superintendent will provide a written response within 90 days from receipt. The plan will include:

- (a) A forecast, by year, of projects that will use Repair and Maintenance Reserve funds for the next five years, or over the remaining life of the Contract, whichever is shorter.
 - (b) The Service may require the Concessioner to perform Component Renewal/Replacement at the end of its useful life or when the item presents a quality, safety, or environmental issue. When such a requirement occurs, the Concessioner will incorporate it into the Plan.
 - (c) Please see Supplement E-1 of this Exhibit, which provides additional procedures for Repair and Maintenance Reserve projects.
- (4) *Repair and Maintenance Reserve Status Reports.* The Concessioner must submit a monthly report on the status of projects funded by the Repair and Maintenance Reserve by the 15th of each month and an annual summary report by March 1st of the following year. Indirect costs may not exceed local industry standards for similar expenditures.
- (5) *Operational Evaluation.* The Concessioner will develop a timeline to cure noted deficiencies identified during the Service's operational evaluations.
- (6) *Personal Property Replacement Plan.* The Concessioner will provide the Service with its planned personal property replacement schedule for the next calendar year by November 15 of each year of the contract for review and approval. The plan will include the specifications, description of the item, estimated date of replacement, estimated replacement cost, expected life of replacement property, and expected salvage value of replaced personal property at time of replacement. Following approval of the plan, the Concessioner will coordinate with the Service as appropriate. The Superintendent will provide a written response within 90 days after receipt.

E) Facility Maintenance Standards

- (1) *Qualified Personnel.* The Concessioner will employ qualified personnel, as defined by Applicable Laws, to perform all Facility Management activities.
- (a) All personnel conducting Facility Management activities must have the appropriate skills, experience, licenses (as applicable), and certifications (as applicable) to conduct such work.
 - (b) For work conducted on historic structures, the Concessioner must use only qualified personnel and complete work in accordance with the Secretary of the Interior's Standards for Historic Preservation.
- (2) *Specifications.* Repairs or replacements will be done in accordance with Service specifications, industry standards, and applicable manufacturer's guidelines and are subject to Service approval.

- (3) *Service Construction and Capital Improvements.* From time to time, the Service will undertake and fund construction and Capital Improvements within Concession Facilities. The Service will work with the Concessioner to minimize impacts from these projects upon Visitor Services and Concessioner operations. The Concessioner must cooperate with the Service to achieve Service objectives and complete these projects in a timely and workmanlike manner.
- (4) *Painting.* Unless required more frequently per the manufacturer's recommendation, the Concessioner must repaint surfaces on a regular cycle, exteriors not less than once every five years, and interiors not less than once every seven years. The Concessioner will use paint products of a "best quality" from a major manufacturer and a type and color that is readily available on the open market. The Concessioner must obtain approval from the Superintendent for any changes to paint colors from the color range provided by the Service. Whenever feasible, the Concessioner must use reprocessed, low volatile organic content (VOC), latex coatings. If the Concessioner uses oil based paints, it must minimize solvent use by means of thinner settling and reuse if possible.
- (5) *Flooring.* The Concessioner must keep floors clean and free of litter and stains. Vinyl floor coverings must be clean, waxed or buffed, free of cracks, chips, and worn places. Masonry or flagstone grouting must be clean and in good repair. Wood floors must be clean and waxed or otherwise sealed.
- (6) *Carpet.* The Concessioner must keep carpeting clean, free of stains, and in good repair. The Concessioner must replace carpet in public areas at least every seven years, unless required more frequently per the manufacturer's recommendation. The Concessioner must replace carpeting in all areas as needed to maintain a clean and well-maintained appearance. The Concessioner must use carpet and carpet backing with recycled content and low VOC carpet mastic where feasible and appropriate.
- (7) *Interior.* The Concessioner must ensure that all interior spaces are clean, properly illuminated, and well maintained, including the following:
 - (a) The Concessioner must maintain walls and ceilings free of breaks and stains, with a fresh appearance.
 - (b) Windows must be clean and unbroken. Grouting must be clean and in good repair.
- (8) *Interior Lighting.* The Concessioner must maintain interior lighting as appropriate for its use.
 - (a) Where feasible and appropriate, the Concessioner will replace incandescent lights with energy conserving fluorescent lights and incandescent exit lights with light emitting diode (LED) lights.
 - (b) Where feasible and appropriate, the Concessioner will use photo and motion sensors for lighting systems.
- (9) *Exterior Lighting.* The Concessioner must develop an Exterior Lighting Plan that addresses installation and maintenance of directed lighting systems to provide minimum necessary lighting for nighttime walking in Concession Facilities.

- (a) The Concessioner must submit its draft Exterior Lighting Plan to the Service within one year after the effective date of the Contract. After its review and approval by the Service, the Concessioner must review and update it as needed or as requested by the Service.
 - (b) This plan must address options for preserving night skies, including lighting issues relating to Service star programs.
 - (c) The Concessioner must maintain lighting systems that provide adequate levels of lighting for safe nighttime walking in Concession Facilities. All exterior lights must be shielded to cast light downward only to the area of need, to minimize light dispersion to surrounding areas and to protect night skies.
 - (d) Construction or installation of additional path or parking area lighting may occur only with written permission of the Superintendent. Any new installations must incorporate state of the art technology.
- (10) *Exterior.* The Concessioner must maintain the structural and architectural integrity of Concession Facilities, including performing the following activities:
- (a) The Concessioner must inspect roofs on an annual basis to ensure that roofing materials are intact and free of deterioration that may affect structural quality, and that roofs are not jeopardized by adjacent vegetation or overhanging tree limbs.
 - (b) The Concessioner must ensure that gutters, downspouts, and roof drains remain attached to each of the buildings. The Concessioner must inspect and clean gutters, downspouts and roof drains at least annually or as necessary to maintain the system free of obstructions, clear and operational.
 - (c) The Concessioner must routinely inspect and maintain doors and windows to prevent moisture from causing deterioration of materials or structural damage to the building.
 - (d) The Concessioner must routinely inspect and maintain siding to prevent moisture from entering the building or causing deterioration of the siding material. The Concessioner must maintain the walls and trim of Concession Facilities in satisfactory condition.
 - (e) The Concessioner must inspect and maintain structural ventilation on at least an annual basis to permit air circulation as designed and to prevent the entering of wildlife.
 - (f) The Concessioner must inspect foundations and exterior walls on an annual basis to ensure they are structurally sound and maintain them to prevent settlement or displacement.
- (11) *Asbestos and Lead Paint.* The Concessioner will maintain health and safety standards in the presence of asbestos and lead paint in all Concession Facilities. The Concessioner will perform any repair or replacement of asbestos containing surfaces only following receipt of written approval of the Superintendent. The Concessioner will remove or encapsulate all surfaces with lead paint according to government approved specifications.

- (12) *Telephone.* The Concessioner will repair and maintain on-premises telephone equipment and wiring on the user side of the connections and panels.

F) Utilities

The Concessioner is responsible for Contracting with independent suppliers to provide year-round telephone service, electrical service, and propane. The Concessioner is responsible for direct payment to these suppliers.

- (1) *Electrical.* The Concessioner will maintain all secondary electrical lines and equipment (conduit, fuses, panels, switches, transformers, lines, photovoltaic arrays, etc.) within the Concession Facilities including all fixtures (lamps, cords and equipment) affixed to secondary electrical lines.

- (a) The Concessioner will repair or replace all electrical system damage at its expense within Concession Facilities and damage occurring beyond the Concession Facilities that results from actions of the Concessioner, its employees, agents, or contractors.
- (b) The Concessioner will ensure that all electrical circuits under its control meet or exceed the standards of the National Electric Code.

(2) Water

- (a) The Concessioner will maintain and repair the water system within the Concession Facilities. All work on water systems will comply with Applicable Laws including, without limitation, Utah Department of Environmental Quality (DEQ) requirements. This facility management will include, but not be limited to, fire lines (hoses), water pipes, water heaters, faucets, and spigots. The Concessioner will activate, deactivate, and winterize system components as necessary, as part of normal maintenance. The Concessioner will maintain and repair the water lines branching off from the main lines in the Concessioner's assigned areas.
- (b) The Concessioner will maintain back flow prevention devices as needed. The Concessioner will test back flow prevention devices annually, as required by the State of Utah. The Concessioner will provide a copy of the annual test report to the Area's Concessions Management Office upon completion.
- (c) The Concessioner will be charged for water usage from meters read at the following locations:
 - Lodge Master Meter
 - Wylie Discharge Meter
 - Lodge Meter (Birch Creek)
- (d) The Concessioner will repair or replace any water system damage within its assigned areas and damage occurring beyond the Concessioner's assigned areas which results from actions of the Concessioner, its employees, agents, or contractors.

- (e) The Service is responsible for water treatment and distribution up to the meters. For repairs or additions, the Concessioner must notify the Concessions Management Office to ensure work is inspected for proper installation, repair, disinfection, and flushing of the water lines. Before work commences on water distribution systems, the Concessioner must obtain the approval of the Service and perform the work to according to Applicable Laws including, without limitation, Utah DEQ standards and National Plumbing Code construction specifications.
 - (f) Subject to the approval of the Superintendent, the Concessioner agrees to maintain water conserving features or irrigation system features when existing features need replacements. Water conservation in buildings includes using aerators on all sink faucets, low-flow shower heads (not exceeding maximum flow of 1.5 gallons per minute at 20 p.s.i. or 2.8 gallons per minute at 80 p.s.i.) and low-flow toilets (not to exceed 1.6 gallons/flush at 20 p.s.i. or 1.9 gallons/flush at 80 p.s.i.).
 - (g) Prior to opening any facility that has been closed, the Concessioner will thoroughly flush lines with potable water. After lines are flushed, the Concessioner will ensure a steady stream of water flows from spigots until demand creates a constant flow.
 - (h) The Concessioner must maintain approved back flow devices on all outside spigots.
 - (i) The Concessioner must test for leaks within its assigned area and repairing leaks.
 - (j) The Concessioner will provide the Service with facility occupancy dates for activation and deactivation of Service systems used by the Concessioner when opening and closing dates are submitted for approval to the Service.
- (3) *Sewer.* Within each assigned area, the Concessioner will maintain sewage disposal systems as follows:
- (a) Zion Lodge Area: The Concessioner will maintain all sewage disposal systems, grease traps and sewer lines within the buildings and all laterals, up to the point of connection with the main sewage collection manhole.
 - (b) Birch Creek Area: The Concessioner will repair/maintain and service (for example, pump) the plumbing and holding tanks including any pressure systems (e.g. booster pump, bladder tank, etc.) at building HS-86. The Concessioner will repair/maintain the existing water line from the building (HS-86) to the meter.
- (4) *Grease Traps.* The Concessioner will maintain the grease traps. The Concessioner will contract to have each of the grease traps pumped once a month with documentation provided to the Concessions Management Office upon request. The Concessioner must dispose of the grease outside the Area. The Concessioner will notify the Service within 24 hours in the event of a grease trap failure.
- (5) *Utility Work.* The Concessioner will coordinate with the Service to allow utility work to be completed prior to surface disturbance (repairing roads, etc.) except for routine or emergency repairs.

G) Signs

- (1) The Concessioner will maintain all signage and ensure the information is accurate. The Concessioner will replace any signs that have been defaced or removed within seven days unless the sign addresses a life safety issue, in which case the Concessioner will replace it immediately with a professional looking temporary sign.
- (2) The Concessioner will ensure that its signs comply with Service sign standards including but not limited to Director's Order 52, Park Signage. The Concessioner must submit plans for all new sign installations to the Superintendent for approval before installation. The Concessioner may not use handwritten or typed signs within Concession Facilities unless the Service approves exceptions. Public signs for which the Concessioner is responsible must be appropriately located, accurate, attractive, and well maintained.
- (3) The Concessioner will install, maintain, and replace all interior and exterior signs relating to its operations and services within the Concession Facilities. Examples of this responsibility are signs identifying the location of functions (when attached to Concessioner-operated buildings or on grounds assigned to the Concessioner), signs identifying operating services and hours, and signs identifying the Concessioner's rules or policies.

H) Solid Waste

- (1) *Litter Program.* The Concessioner will develop, promote, and implement a litter abatement program to include, without limitation, participating in Area-wide litter clean-up events, implementing litter clean-up days within assigned areas, and providing litter free messages on appropriate materials and in appropriate locations.
- (2) *Responsibilities*
 - (a) The Concessioner will be responsible for the collection of all litter and garbage within the Concessions Facilities and dispose of it at the proper county or other landfill areas. The Concessioner will keep the Concession Facilities free of litter, garbage, and abandoned equipment and vehicles.
 - (b) The Concessioner must remove all solid waste, including untreated wood and tree branches, from the Area at the Concessioner's expense and dispose of it outside the Area.
- (3) *Receptacles*
 - (a) The Concessioner will provide its own garbage cans and dumpsters in adequate numbers.
 - (b) The garbage cans and dumpsters must be bear/animal resistant, waterproof, vermin-proof, covered with working lids, and be of Service-approved colors.
 - (c) The Concessioner will keep all receptacles clean, well-maintained, and serviceable.

I) Recycling and Conservation

- (1) *Recycling Program.* The Concessioner will participate in the existing recycling program that fully supports the efforts of the Service. The program will include, but not be limited to the following:

 - (a) Maintain earth tubs and oversee composting program
 - The Concessioner will maintain the two earth tubs in Birch Creek to reduce the amount of organic waste by-products (e.g., kitchen scraps) from going into trash receptacles.
 - The Concessioner must maintain the tubs to appropriate mixtures to reduce smell and ensure proper breakdown of materials added.
 - The Concessioner must store the compost generated from the earth tubs to not interfere with the horse concession operation and remove it from the site on a regular basis. The Concessioner may not store compost beyond the holding capacity of the existing bin or additional stock piles. The Concessioner promptly must address all concerns related to rodent or insect infestations resulting from the compost material.
 - (b) Provide collection bins, including in-room bins.
 - (c) Coordinate with the Service in the recycling program including, without limitation, the removal of all material from the Area and transporting to an authorized recycling center..
- (2) *Use of Recycled Products.* The Concessioner will implement a source reduction program designed to minimize its use of disposable products in its operations. Reusable and recyclable products are preferred over single-service items. Where the Concessioner must use disposable products, it may use only products that have the least impact on the environment. Use of post-consumer recycled products is encouraged whenever possible. The Concessioner will purchase and incorporate environmentally preferred products or services for use and for sale.
- (3) *Water and Energy Conservation.* The Concessioner will implement water and energy conservation measures for each of its operations. As new technologies are developed, the Concessioner will explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, or reduced impacts on the environment. The Concessioner will implement practices to minimize the use of treated water for maintenance of landscaping. The Concessioner will work to attain the highest level of sustainability in all levels of operation.
- (4) *Alternative Fuel Vehicles.* The Concessioner will consider using alternative fuel vehicles where appropriate.

J) Fuel Storage Tanks, Hazardous Materials and Hazardous Waste Program**(1) General**

- (a) The Concessioner will implement hazardous material reduction to minimize and work toward the elimination of hazardous chemicals in its operation.
- (b) The Concessioner will maintain health and safety standards and take necessary mitigation and corrective measures to assure healthy working and living environments in all Concession Facilities.
- (c) The Concessioner will designate appropriate employees to attend hazardous materials and waste management training as made available by the Service or through outside sources. Training will include Hazardous Communication Standard for employees who may be exposed to chemical hazards on the job site and Hazardous Waste Operations and Emergency Response Standard for employees who may be exposed to hazardous substances in certain specific job-related duties.

(2) Above Ground Fuel Storage Tanks.

- (a) The Concessioner is responsible for all above ground storage tanks (ASTs) including propane tanks within its assigned areas. All maintenance, testing, repairs, replacement, and fuel spill mitigation will be consistent with applicable regulations and codes. The Concessioner must keep sufficient absorbent materials to effectively immobilize any spills in close proximity to control the total volume of fluids contained within a tank. The Concessioner must notify the Zion National Park Dispatch Center at 435-772-0178 immediately of any fuel spill.
- (b) The Concessioner must obtain Service approval of all plans for any work involving above ground fuel storage tanks, tracer probes, monitoring wells, removal of contaminated soil, ground water remediation work, etc. The Concessioner must comply with all Applicable Laws regarding fuel storage tanks.

(3) Hazardous Substances

- (a) The Concessioner's Environmental Management Program (EMP) will include its approach to stopping, containing, and cleaning up hazardous substance spills and releases, whether incidental or non-incidental.
- (b) The Concessioner will notify the Zion National Park Dispatch Center at 435-772-0178 without delay when a release of hazardous or non-hazardous chemical or biological product occurs. The Concessioner must implement proper corrective, cleanup, and safety actions immediately.
- (c) Vehicles with a load rating greater than two tons should carry, at minimum, enough absorbent materials to effectively immobilize the total volume of fluids contained within the vehicle. Vehicles and operators transporting hazardous materials must be Department of Transportation (DOT) certified and/or registered. Operators must be knowledgeable of local emergency response and personal safety protocols.

K) Grounds, Landscaping, and Pest Management

(1) General

- (a) The Concessioner must perform the landscaping, grounds care (watering, mowing, weeding, planting, fertilizing, pruning, etc.) and improvement of the Concession Facilities, as shown on the maps in Exhibit C. The Service has a Cultural Landscape Plan under development. Once the Service approves that plan, the Concessioners responsibilities under this section must conform to that plan.
- (b) Within the land assignment, the Concessioner must maintain landscaping around structures and grounds to Service approved standards for wildland-urban interface clearing to ensure appropriate practices for vegetation plantings, defendable spaces between plantings and structures, and removal of hazardous fuels. The Area Fire Management Office and Concessions Mananagement Specialist will consult with the Concessioner to determine appropriate application of the standards within assigned areas. The Concessioner must accomplish initial clearing of vegetation within 12 months of the effective date of the Contract and continue to maintain landscaping to the approved standards. The Concessioner must dispose of refuse, debris, and salvageable material from clearing in adherence with Service regulations and policy. The Concessioner will develop and maintain defendable space between buildings and open areas (100 feet up slope from buildings, maintain 30 feet space of selected vegetation clearance), including application of Service-approved herbicides in selected areas to control invasive species.
- (c) The Concessioner, on an annual basis, must undertake activities, such as cleaning gutters to remove leaf and pine needle build-up, to reduce structural/wildland fire danger.
- (d) The Concessioner must place and daily clean cigarette receptacles in the Concession Facilities. Receptacles shall be tube-style rather than open sand style. The Concessioner must keep the Concession Facilities free and clear of safety hazards (broken glass, sharp objects, etc.) at all times.
- (e) The Concessioner, in consultation with the Service, will develop an Integrated Pest Management Program, (IPMP) that will define the nature and frequency of treatment, approved chemical lists, etc. The IPMP must be consistent with the IPM Service standard (“Understanding the National Park Service’s Integrated Pest Management Program” [at www.planning.nps.gov/concessions/document/CoEMPGuidanceIPM.pdf]). The Concessioner will submit its IPMP to the Service for review and approval. The Concessioner may apply any herbicide or pesticide, or engage in any pest control or non-native species activity in buildings, residences, or in grounds/landscape materials only in accordance with the IPMP. The Concessioner must submit to the Superintendent on or before December 31 of each year a Pesticide Request Form requesting approval of anticipated pesticide use for the following year and a Pesticide Use Log which tracks the pesticide use for the current year.

- The Concessioner's control of weeds and pests by chemical and other means is subject to prior Service approval. The Concessioner will review specific issues with the Area's Integrated Pest Management Coordinator.
 - The Concessioner will exterminate pests within the Concessioner Facilities in accordance with Service approved Integrated Pest Management Program practices.
 - The Concessioner and employees will adhere to practices that tightly seal buildings and supplies, and maintain clean facilities, thereby reducing potential for wildlife becoming pests.
- (f) The Concessioner will conduct its business and daily activities in such a manner as to minimize adverse affects to the natural scene including, without limitation, the protection of native vegetation and control of erosion.
- (g) The Concessioner must contract with a licensed pest control contractor to inspect all Concession Facilities within one year of the effective date of the Contract and thereafter on a regular cycle of not less than once a year after the initial inspection. The Concessioner will submit a copy of the inspection reports to the Superintendent, upon receipt.
- (h) The Concessioner must emphasize water conservation in landscaping operations.
- (i) The Concessioner must take adequate steps to prevent the introduction and importation of exotic plants and species into the Area. To reduce the potential for introducing the spread of exotic species in the Area, the Concessioner will require all contractors to power wash large equipment (e.g., backhoes, tractors, etc.) prior to entering the Area.
- (j) The Concessioner will paint all fire hydrants with a Service approved color on a regular schedule.
- (2) *Hazard Tree Removal.* The Concessioner is responsible for hazardous tree removal, trimming care, and cleanup, but may not remove hazard trees from the Concession Facilities without the prior specific approval of the Service unless there is an imminent hazard. The Service will grant approval in accordance with the established Service policy for hazard tree removal. The Concessioner must remove trees promptly after receiving Service approval and dispose of salvageable material in accordance with Service regulations and policy.

L) Roads, Trails, Parking Areas, and Walkways

General. The Concessioner must maintain and repair all roads, sidewalks, trails, curbs, gutters, culverts, and stone retaining structures within the Concessioner Facilities. This includes parking area striping, asphalt and concrete repair, and debris clean up due to flood or wind related events. In addition:

- (1) The Concessioner must sweep, clean, and pickup litter in all parking areas and roadways.
- (2) The Concessioner must remove or treat, as appropriate snow and ice on all trails and walkways within the Concession Facilities.

4) Concessioner Responsibility (By Land Use)

A) Lodging, Retail, and other Public Areas

(1) General Maintenance, Public Areas

- (a) **Restrooms:** The Concessioner will maintain the restrooms to the following standards: no iron water stains; hardware and fixtures must be non-pitted and rust-free, sinks and toilets must be free of chipping and cracking, and all fixtures will be fully operational. The Concessioner will repair fixtures and equipment immediately upon notification of a problem. The Concessioner will leave no bathroom fixture out of order for more than 24 hours.
- (b) **Cleaning:** The Concessioner must maintain and clean all public areas at least twice per day. The Concessioner must keep the Concession Facilities free of mildew, soap buildup, dirt, litter, graffiti, clutter and debris at all times.

(2) Personal Property Repair/Replacement

- (a) **Case goods (bedroom furniture).** The Concessioner must maintain and repair case goods, such as bedroom furniture, to ensure a pleasant and safe guest experience. The Concessioner must repair any scratches or defacement of case goods or replace the piece of furniture prior to renting the room. The Concessioner must replace or refurbish all case goods at least every fifteen (15) years, based on current age and expected life cycle, or sooner if needed.
- (b) **Soft goods (textiles such as linen and draperies).** The Concessioner must clean soft goods and ensure they are free from any stains, holes, and tears. The Concessioner must keep an adequate inventory of replacement soft goods on hand in order to replace damaged soft goods prior to renting the guest room. The Concessioner must replace soft goods every five years, based on current age, or sooner if the condition warrants it.
- (c) **Mattresses:** The Concessioner must replace mattresses every ten (10) years, based on current age, or sooner if their condition warrants it.
- (d) **Safety:** The Concessioner must maintain and routinely test guest unit door locking devices to ensure effectiveness.

B) Removable Equipment

- (1) The Concessioner must maintain, service, and repair (per manufacturer's recommendations) all Concessioner operated appliances, machinery, and equipment; including parts, supplies, and related materials, and replace them as necessary.
- (2) The Concessioner must:
 - (a) Annually clean and inspect active chimneys and exhaust ducts;
 - (b) Inspect range/grill hoods monthly and clean as required;
 - (c) Inspect, clean, and tune boilers annually, or more often, as conditions warrant.

5) Service Responsibilities

The Service will assist the Concessioner in its maintenance program by executing the following responsibilities subject to the availability of funds. .

A) Roads and Parking Areas

On a pre-arranged cost reimbursement basis, the Service may perform all snow and ice control on all interior Roads and Parking areas within the Concessioner Facilities, including:

- (1) the employee entrance road and parking areas
- (2) the Western cabin complex
- (3) the access road and parking area in front of the A and B motel units
- (4) the North Parking area next to the main entrance to the Zion Lodge
- (5) the spur road leading to the storage shed in Birch Creek

B) Utilities

(1) General

- (a) The Service repairs or replaces any damage occurring to all utility systems assigned to the Concessioner caused by actions of the Service.
- (b) The Service, or the utility company that has the easement, will be responsible for all utility systems running through the Concession Facilities.
- (c) The Service repairs roads, parking areas, trails, and walkways in areas that are disturbed by Service-related utility construction. In all other situations the Concessioner will make such repairs.

(2) *Water and Sewer*

- (a) The Service assists the Concessioner with determining the location and identification of water and sewer lines.
- (b) The Service repairs water and sewer lines outside of the Concession Facilities.
- (c) The Service provides bacteriological monitoring and chemical analysis of potable water as required by all Applicable Laws. The Service performs major rehabilitation on the storage and distribution system.
- (d) If the Service needs access to a main within the Concession Facilities, the Service will restore the area of disturbance unless the Concessioner (including its employees and contractors) has caused the need to access the main.

C) Signs

- (1) The Service provides and maintains regulatory, traffic control, or information signs that serve the interest of the Service; examples include information signs along roadways, directional signs along trails, and interpretive signing.
- (2) The Service installs, maintains, and replaces the main entrance signs and major junction signs.

D) Grounds, Landscaping, And Pest Management

- (1) The Service periodically monitors and identifies hazardous trees and wildland-urban interface clearance standards in the Concession Facilities.
- (2) The Service reviews the Concessioner's landscaping plans, provides standards as needed, reviews and approves proposed work, and monitors Concessioner landscaping projects.

E) Exterior Fire Equipment and Fire Hydrants

The Service maintains all fire hydrants on water mains within the Concession Facilities, including the maintenance, repair, replacement, and testing.

Approved, effective _____, 200__

By: _____

Superintendent, Zion National Park

SUPPLEMENT E-1

REPAIR AND MAINTENANCE RESERVE PROJECT PROCEDURES

Introduction

This Supplement presents systematic procedures for the administration of projects funded out of the Repair and Maintenance Reserve within the Area. The Contract defines the purpose and scope of the Reserve Fund as well as the type and nature of eligible projects in Section 9(c).

Note that certain projects may require review under the National Environmental Policy Act (NEPA) of 1969, as amended. Projects within historic and culturally significant areas may require certain building management methods established under the National Historic Preservation Act (NHPA) of 1966, as amended. The Concessioner must ensure that all projects comply with codes and building requirements adopted by the Director, including without limitation and where applicable, the most recent International Building Code (IBC), National Fire Protection Association (NFPA) codes, the Americans with Disabilities Act (ADA) requirements, and National Park Service Management Policies.

Procedures

- 1) Roles and Responsibilities. The Concessioner is responsible for all aspects of project development and implementation. The Service will provide direction, authorization, and oversight via the Superintendent.
- 2) Multiyear Repair and Maintenance Reserve Plan Approval. The Concessioner will provide the Service at least annually with a Multiyear Repair and Maintenance Reserve Plan per Exhibit E. The Concessioner must obtain Repair and Maintenance Reserve Plan approval by the Superintendent prior to submitting any specific project for approval.
- 3) Project Approval. The Concessioner must provide formal written notice to the Superintendent of the intent to proceed with the planning and design of any project at least one year prior to the intended commencement date. The Concessioner will not proceed prior to receiving written approval from the Superintendent.
- 4) Project Planning and Design Approval: The Concessioner will submit a set of project Plans and Designs to the Superintendent for review and approval. The Concessioner will not execute any aspect of the project or contract for the execution of any aspect of the project prior to receiving written approval from the Superintendent. project Plans and Designs will include, at a minimum:
 - i) *Project Statement*: A copy of the project Approval, the designated Concessioner project supervisor, a description of the work, and the justification for the work.
 - ii) *Planning*: Documents as applicable such as those produced for NEPA and Section 106 compliance, concept design, preliminary design, or schematic design and related correspondence and documents.
 - iii) *Design*: Documents produced and decisions made during the design phase of the project such as drawings, renderings, schematics, or descriptions.

- iv) *Project Estimate and Schedule.* An estimate of the Total project Price and completion schedule before work begins based on the best information available identified during project planning and design.
 - v) *Certification of No Capital Improvement.* An analysis of the proposed project to ensure that no element of the project would qualify as a Capital Improvement, as that term is defined in 36 C.F.R. Part 51, Subpart G, eligible for Leasehold Surrender Interest. The Concessioner must certify that the project does not include the construction or installation of a Capital Improvement. The Service must review this certification to confirm that the project does not include any element that may be eligible for Leasehold Surrender Interest. The parties will resolve any concerns before the Superintendent approves the project. The Superintendent is not authorized to allow the Concessioner to construct or install any Capital Improvement to Concession Facilities.
- 5) Project Management: The Concessioner designated project supervisor will oversee the project and its completion. The Concessioner will submit to the Superintendent periodic activity reports, at a frequency agreed upon by the Concessioner and Superintendent prior to project commencement. A periodic activity report will, at a minimum:
- i) Summarize project activity by recording observations and decisions
 - ii) Identify project expenditures to date
 - iii) Lists any changes to the approved project Plans and Designs
 - iv) List any changes in Schedule and Total project Price
- 6) Project Change Approval: Changes during the work that require review and approval of the Superintendent include, without limitation, the following:
- i) Changes affecting natural, cultural, or historic resources
 - ii) Changes in designated visual appearance
 - iii) Changes in the interface with utility, road, or facility maintenance operations
 - iv) Changes in project scope
- 7) Substantial Completion Inspection: The Concessioner will notify the Superintendent that the project is substantially complete and request a joint inspection. The Concessioner and Service will develop a punch list of work items required to “close-out” the project. The Concessioner will not use the structure or structure area affected by the project until all punch list items are resolved.
- 8) Project Completion Report Approval: Upon completion of any project, the Concessioner must submit a project Completion Report to the Superintendent. The project Completion Report must include the Total project Cost; before-and-after photo documentation; warranties; operation and maintenance manuals, if required; all inspection and certification reports; as-constructed drawings, and other documents as requested by the Superintendent. Until receiving formal written project Completion Report Approval from the Area Superintendent, the Concessioner retains full responsibility for all project construction activity and liability for both completed and uncompleted work.

EXHIBIT F INSURANCE REQUIREMENTS

I. INSURANCE REQUIREMENTS

All insurance coverage provided for the benefit of, or evidenced to the Service is not to be impaired by any act of the Concessioner, its agents, servants, or employees. The Concessioner will ensure that its insurance carriers provide that the Service, solely for its benefit, ***an unconditional 30 day advance*** notice of cancellation, non-renewal, or material change in coverage or policy terms for all coverage issues.

The amounts of insurance, limits of liability and coverage terms indicated ***are not intended as a limitation*** of the Concessioner's responsibility or liability under the CONTRACT, but rather an indication as to the minimum type(s), amount(s), and scope of insurance that the Service considers necessary to allow the operation of the concession at its park. Nevertheless, if the Concessioner purchases insurance in addition to the limits illustrated herein, the Service will receive the benefit of the additional amounts of insurance without additional cost to the Service.

II. LIABILITY INSURANCE

The Concessioner will maintain the following minimum Liability Coverages all of which, unless noted herein, are to be written on an occurrence form of coverage.

A) **Commercial General Liability Insurance**

- 1) Coverage will be provided for bodily injury, property damage, contractual liability, personal or advertising injury liability (including contractual liability arising out of personal injury and advertising injury liability) and products/completed operations liability insurance protection. The following minimum limits of liability to be provided:

Bodily Injury and Property Damage Limit

(1) General Aggregate	\$4,000,000
(2) Products & Completed Operations Aggregate	\$4,000,000
(3) Per Occurrence	\$2,000,000
(4) Personal Injury & Advertising Injury Liability	\$2,000,000
(5) Medical Payments	\$5,000 per person
(6) Fire Legal Liability	\$50,000 per fire (automatic-no additional charge)

2) The liability coverages may not contain the following exclusions/limitations:

- (a) Athletic or Sports Participation
 - (b) Products/Completed Operations
 - (c) Personal Injury or Advertising Injury exclusion or limitation
 - (d) Contractual Liability limitation (must specifically reference the National Park Service contract number)
 - (e) Explosion, Collapse and Underground Property Damage exclusion
 - (f) Watercraft limitations affecting the use of watercraft in the course of the concessioner's operations (unless separate Watercraft coverage is maintained)
- 3) Pollution liability insurance coverage must be included for damages resulting from smoke, fumes, vapor, or soot, or other contaminants from a hostile fire.
- 4) If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location.

B) Automobile Liability Insurance, including Garage Operations

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance or use of "any auto," Symbol 1. (Where there are no owned autos, coverage will be provided for "hired" and "non-owned" autos, Symbols 8 & 9, must be maintained), including garage operations for products and completed operations. Garagekeepers' liability is to be included on a "direct" basis.

Combined Single Limit Each Accident Limit: \$3,000,000

C) Liquor Liability

Coverage will be provided for bodily injury or property damage including damages for care, loss of services, or loss of support arising out of the selling, serving, or furnishing of any alcoholic beverage.

Each Common Cause Limit **\$1,000,000**

Aggregate Limit **\$3,000,000**

D) Watercraft Liability (or Protection & Indemnity) (NOT applicable)

Coverage will be provided for bodily injury or property damage arising out of the use of any watercraft.

E) Aircraft Liability (NOT applicable)

Coverage will be provided for bodily injury or property damage arising out of the use of any aircraft.

Each Person Limit (if applicable)

Property Damage Limit (if applicable)

Each Accident Limit (if applicable)

F) Excess Liability or Excess “Umbrella” Liability (Optional, NOT required)

This coverage is not required, but may be used to supplement any of the above Liability coverage policies in order to arrive at the required minimum limit of liability. If maintained, coverage will be provided for bodily injury, property damage, personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage must be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance must be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess “Umbrella” Liability policy.

G) Environmental Impairment Liability

Coverage will be provided for bodily injury, personal injury or property damage arising out of pollutants or contaminants (on site and/off site).

Each Occurrence or Each Claim Limit	\$1,000,000
Aggregate Limit	\$3,000,000

H) Special Provisions for Use of Aggregate Policies

If at any time the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the Concessioner may be required to reinstate such limit or purchase additional coverage limits. The General Aggregate under the Commercial General Liability policy must apply on a “per location” basis. The Certificate of Insurance required herein will note compliance with this aggregate provision.

I) Self-Insured Retentions

Coverage will comply with the statutory requirements of the state(s) which the Concessioner operates. The limit for employers’ liability insurance must be at least \$100,000 per insuring agreement.

J) Workers Compensation & Employers' Liability

Coverage will comply with the statutory requirements of the state(s) in which the Concessioner operates. The states of concession operations must be specifically included for coverage under the policy.

III. PROPERTY INSURANCE

A) Building(s) and/or Contents Coverage

- 1) Amount of Insurance (Building) 100% of replacement value (without deduction for physical depreciation) as listed in Exhibit C.
- 2) Amount of Insurance (Contents) 100% of replacement value (without deduction for physical depreciation)
- 3) Amount of Insurance (Inventory) 100% of replacement value (without deduction for physical depreciation)
- 4) Insurance will cover buildings, structures, improvements and betterments and/or contents for all Concession Facilities, as more specifically described in Exhibit C of this CONTRACT.
- 5) Coverage will apply on an “All Risks” or “Special Coverage” basis.
- 6) The policy will provide for loss recovery on a replacement value (without deduction for physical depreciation) basis.
- 7) Blanket coverage should be encouraged for real and personal property.
- 8) The coinsurance provision, if any, will be waived or suspended by an Agreed Amount or Agreed Value clause.
- 9) The Vacancy and unoccupancy restriction, if any, must be eliminated for property that will be vacant or unoccupied beyond any time period specified in the policy.
- 10) Flood Coverage will be maintained at the maximum limit available not to exceed 100% replacement value (without deduction for physical depreciation).
- 11) Earthquake Coverage will be maintained at the maximum limit available not to exceed 100% replacement value (without deduction for physical depreciation).
- 12) Ordinance or Law, demolition and increased cost of construction Coverage will be maintained with a limit of not less than the building replacement value (without deduction for physical depreciation) listed in Exhibit C.

B) Boiler & Machinery Coverage

- 1) Insurance will apply on the “comprehensive” basis of coverage including all objects within the Concession Facilities. Production equipment is to be included if applicable.
- 2) The policy will provide for loss recovery on a replacement value (without deduction for physical depreciation) basis.
- 3) The amount of insurance must represent no less than 100% of the replacement value (without deduction for physical depreciation) of the sum total of all insured property.

- 4) The coinsurance provision, if any, must be waived or suspended by an Agreed Amount or Agreed Value clause.
- 5) Coverage is to be provided on a blanket basis.
- 6) If insurance is written with a different insurer than the Building(s) and Contents insurance, both the Property and Boiler insurance policies must be endorsed with a joint loss agreement.
- 7) Ordinance or Law, demolition and increased cost of construction Coverage must be maintained with a limit of not less than the building replacement costs listed in Exhibit C.

C) Builders Risk Coverage (Only required for new construction or major renovations)

- 1) Insurance is required for all new construction or major renovations of existing buildings at the concession facilities and continue in force until the property is accepted by the Service. The coverage must include property that has or will become a part of the project while such property is at the project site, at temporary off-site storage and while in transit. Coverage also applies to temporary structures such as scaffolding and construction forms.
- 2) Coverage applies on an "All Risk of loss" or "Special Coverage" basis.
- 3) The policy will provide for loss recovery on a replacement value (without deduction for physical depreciation) basis.
- 4) Coverage must be arranged using the "completed value" alternative.
- 5) The amount of insurance must represent no less than 100% of the replacement value (without deduction for physical depreciation) of the insured property.
- 6) The coinsurance provision, if any, must be waived or suspended by an Agreed Amount or Agreed Value clause.
- 7) Any occupancy restriction must be eliminated.
- 8) Any collapse exclusion must be eliminated.
- 9) Any exclusion for loss caused by faulty workmanship must be eliminated.
- 10) Flood Coverage must be maintained at the maximum limit available not to exceed the replacement value (without deduction for physical depreciation).
- 11) Earthquake Coverage must be maintained at the maximum limit available not to exceed the replacement value (without deduction for physical depreciation).

D) Business Interruption and/or Expense

- 1) Business Interruption insurance and extra expense insurance must cover the loss of income and continuation of fixed expenses in the event of damage to or loss of Concession Facilities or any property supporting the Concession operations, including, without limitation and with respect to the interests of the Service, the loss (or reduction) of franchise fee payments to the Service by the Concessioner. Extra Expense insurance will cover the extra expenses above normal operating expenses to continue operations in the

event of damage or loss to covered property. The coverage to be provided can be calculated as follows:

Anticipated annual Gross revenue from operations	\$_____
Less non-continuing expenses	(\$_____)
Business Interruption limit	\$_____
Business Interruption limit	\$_____

E) Deductibles

Property Insurance coverages described above may be subject to deductibles as follows:

- 1) Direct Damage deductibles must not exceed the lesser of 10% of the amount of insurance or \$25,000 (except Flood & Earthquake coverage may be subject to deductibles not exceeding \$50,000).
- 2) Extra Expense deductibles (when coverage is not combined with Business Interruption) shall not exceed \$25,000.

F) Required Clauses

1) Loss Payable Clause:

A loss payable clause similar to the following must be added to Buildings and/or Contents, Boiler and Machinery, and Builders Risk policies:

“In accordance with Concession Contract No. CC-ZION003-09 dated _____, between the United States of America and [*the Concessioner*] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Concessioner without requiring endorsement by the United States of America.”

IV. CONSTRUCTION PROJECT INSURANCE

Concessioners entering into contracts with outside contractors for various construction projects, including major renovation projects, rehabilitation projects, additions or new buildings/facilities must ensure that all contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors must comply with the insurance requirements stated herein (for Commercial General Liability, Automobile Liability, Workers' Compensation and, if professional services are involved, Professional Liability). Except for the workers' compensation insurance coverage, the interests of the Concessioner and the United States must be covered in the same fashion as required in the other provision of this exhibit. The amounts/limits of the required coverages must be determined in consultation with the Director taking into consideration the scope and size of the project.

V. INSURANCE COMPANY MINIMUM STANDARDS

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

- 1) All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
- 2) All insurers for all coverages must have a Best's Financial Size Category of at least VII according to the most recent edition of A.M. Best's Key Rating Guide (Property-Casualty edition).
- 3) All insurers must be admitted (licensed) or approved to do business in the state(s) in which the concession operation(s) is (are) located.

VI. CERTIFICATES OF INSURANCE

All certificates of Insurance required by this CONTRACT must provide sufficient detail to allow easy identification of the coverages, limits, and coverage amendments described above. In addition, the insurance companies must be accurately listed along with their A.M. Best Identification Number ("AMB#"). The name, address and telephone number of the issuing insurance agent or broker must be clearly shown on the Certificate of Insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the Concessioner, upon written request of the Director, will provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein.

The Certificate of Insurance will contain a notation that the insurance coverage represented therein complies with the provisions of this agreement as outlined in this Exhibit F.

The **notice of cancellation provision** of the certificate must delete any and all qualifying language such as: "*We will endeavor to provide*" or "*failure to provide said notice will not place any liability upon the company or its representative.*"

VI. STATUTORY LIMITS

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit will be the minimum amount to be maintained. In the event that the statutorily required limit is less than the limits required herein, the limits required herein shall control.

EXHIBIT G TRANSITION TO A NEW CONCESSIONER.

Section 1. In General

The Director and the Concessioner hereby agree that, in the event of the expiration or termination of this Contract for any reason (hereinafter "Termination" for purposes of this Exhibit) and the Concessioner is not to continue the operations authorized under this Contract after the Termination Date, the Director and the Concessioner in good faith will fully cooperate with one another and with the new concessioner or concessioners selected by the Director to continue such operations ("New Concessioner" for purposes of this Exhibit), to achieve an orderly transition of operations in order to avoid disruption of services to park area visitors and minimize transition expenses.

Section 2. Cooperation Prior to the Termination Date

At such time as the Director may notify the Concessioner that it will not continue its operations upon the Termination of this Contract, the Concessioner shall, notwithstanding such notification:

(a) Continue Operations. Continue to provide visitor services and otherwise comply with the terms of the Contract in the ordinary course of business and endeavor to meet the same standards of service and quality that were being provided previously, and with a view to maintaining customer satisfaction.

(b) Continue Bookings. Continue to accept all future bookings for any hotel, lodging facilities, or other facilities and services for which advance reservations are taken; not divert any bookings to other facilities managed or owned by the Concessioner or any affiliate of the Concessioner; and notify all guests with bookings for any period after the Termination Date that the facilities and services are to be operated by the New Concessioner. Promptly following notification to the Concessioner by the Director of the selection of the New Concessioner, the Concessioner shall provide the New Concessioner with a copy of Concessioner's reservation log for visitor services as of the last day of the month prior to the selection of the New Concessioner, and thereafter the Concessioner shall update such log on a periodic basis (but no less frequently than thirty (30) days) until the Termination Date. The reservation log shall include, without limitation, the name of each guest, and the guest's (1) address, (2) contact information, (3) dates of stay, (4) rate quoted, (5) amount of advance deposit received and (6) confirmation number, if applicable.

(c) Designating a Point of Contact and Other Actions. Cooperate with the Director and the New Concessioner to ensure the smooth transition of operations by: (1) designating one of the Concessioner's executives as the point of contact for communications between the Concessioner and the New Concessioner; (2) providing the Director and the New Concessioner with access to any assigned Concession Facilities, including "back-of-house areas" and including copies of the keys to assigned Concession Facilities; (3) providing the Director and the New Concessioner with full access to the books and records, licenses and all other materials pertaining to any

assigned Concession Facilities and the Concessioner's operations in general; (4) providing the Director and the New Concessioner with copies of all maintenance agreements, equipment leases (including short-wave radio) service contracts and supply contracts, including contracts for on-order merchandise (collectively, "Contracts"), and copies of all liquor licenses and other licenses and permits (collectively, "Licenses"); (5) allowing the New Concessioner to solicit and interview for employment all of the concessioner's salaried and hourly employees, including seasonal employees through a coordinated process implemented by the Concessioner; and (6) not entering into any contracts or agreements that would be binding on any assigned Concession Facilities or operations in general after the Termination Date without the prior written agreement of the New Concessioner.

(d) Financial Reports. Within 30 days after receipt of the notification of the selection of the New Concessioner, provide the New Concessioner with a financial report with respect to the operation of any assigned Concession Facilities and the Concessioner's operations in general as of the last day of the month prior to receipt of such notification. Thereafter, the Concessioner shall update such financial report on a periodic basis (but no less frequently than thirty (30) days) until the Termination Date. Such financial report shall include, at a minimum, (1) a balance sheet for the Concessioner's assigned Concession Facilities, if any; (2) a schedule of pending accounts payable; and (3) a schedule of pending accounts receivable.

(e) Personal Property List. Provide the New Concessioner with a complete, detailed and well-organized list of physical inventory, supplies, and other personal property owned or leased by the Concessioner in connection with its operations under the Contract (including a list of such items that are on-order). The list shall be provided to the New Concessioner within thirty (30) days following receipt of the notification of the selection of the New Concessioner, shall be updated monthly thereafter, and shall designate those items that the Concessioner believes are essential to maintaining the continuity of operations or the special character of its operations. The Concessioner shall assist the New Concessioner in reviewing and validating the list.

(f) Other Information and Reports. Provide the New Concessioner with all other information and reports as would be helpful in facilitating the transition, including, without limitation, a list of maintenance records for the Concessioner's operations for the period of one year prior to notification of the selection of the New Concessioner, and complete information with respect to: (1) utilities, including gas and electric; (2) telephone service; (3) water service; and, (4) specific opening and closing procedures. Such information shall be provided within thirty (30) days after receipt of notification of the selection of the New Concessioner, and shall be updated periodically (but no less frequently than thirty (30) days) until the Termination Date.

(g) Other Cooperation. Provide the Director and the New Concessioner with such other cooperation as may be reasonably requested.

Section 3. Cooperation Upon the Termination Date.

Upon the Termination Date, the Concessioner shall:

(a) Transfer of Contracts and Licenses. Cooperate with the transfer or assignment of all Contracts and Licenses entered into by the Concessioner that the New Concessioner elects to assume.

(b) Reservation Systems. (1) Provide the New Concessioner with an update of the reservation log through the Termination Date; (2), disconnect its operations from the Concessioner's centralized reservation system, if any; and (3) cooperate with the New Concessioner in transitioning to the New Concessioner's reservation system.

(c) Fees and Payments. Within ten (10) days after the Termination Date, the Concessioner shall provide the Director with an itemized statement of all fees and payments due to the Director under the terms of the Contract as of the Termination Date, including, without limitation, all deferred, accrued and unpaid fees and charges. The Concessioner shall, within ten (10) days of its delivery to the Director of this itemized statement, pay such fees and payments to the Director. The Concessioner and the Director acknowledge that adjustments may be required because of information that was not available at the time of the statement.

(d) Access to Records. Notwithstanding any other provision of this Contract to the contrary, upon the Termination Date, the Concessioner shall make available to the Director for the Director's collection, retention and use, copies of all books, records, licenses, permits and other information in the Concessioner's possession or control that in the opinion of the Director, are related to or necessary for orderly and continued operations of the related facilities and services.

(e) Removal of Marks. Concessioner shall within thirty (30) days after Termination, remove (with no compensation to Concessioner) all items of inventory and supplies as may be marked with any trade name or trademark belonging to the Concessioner.

(f) Other Cooperation. Provide the Director and the New Concessioner with such other cooperation as may be reasonably requested.

ZION NATIONAL PARK
CC-ZION003-09
PROSPECTUS

APPENDIX TABLE OF CONTENTS

All files can be found on the enclosed CD

Document Number	Document Name
1	Existing Contract and Amendments
2	Existing Contract Extensions
3	Superintendent's Compendium
4	36 CFR Part 51, Concession Contracts: Final Rule
5	ZION003 Proposal Package
6	Concessioner Water & Sewer Rates
7	Personal Property Listing
8	NPS Rate Approval Guidelines
9	Proposal Package Excel Forms for Principal Selection Factor 4
10	NPS Management Policies
11	Special Directive 83-2, Rates for NPS Produced Utilities
12	Concessions Management Improvement Act of 1998 (P.L. 105-391)
13	Director's Order 58, Structural Fire Management
14	Zion National Park Monthly Safety Report Form
15	Zion National Park Lost and Found Policy
16	Director's Order 52, Park Signage
17	Integrated Pest Management Program



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